

**EXHIBIT B**

**REDEVELOPMENT AGREEMENT**

(ATTACHED)

THIS INSTRUMENT PREPARED BY,  
AND AFTER RECORDING,  
PLEASE RETURN TO:

Arthur Dolinsky, Senior Counsel  
City of Chicago  
Department of Law  
Real Estate and Land Use Division  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602

(The Above Space for Recorder's Use Only)

#### AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND

This AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND ("Agreement") is made on or as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and among the CITY OF CHICAGO, an Illinois municipal corporation ("City"), acting by and through its Department of Planning and Development ("DPD"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, THE GROVE BRONZEVILLE, LLC, a Delaware limited liability company (together with its successors and assigns, the "Developer"), whose offices are located at 333 S. Wabash Avenue, Suite 2901, Chicago, Illinois 60604, and 4735 SOUTH COTTAGE GROVE, LLC, a Delaware limited liability company, whose offices are located at 333 S. Wabash Avenue, Suite 2901, Chicago, Illinois 60604 ("Grantee")

#### RECITALS

WHEREAS, the City owns the seven vacant parcels of real property commonly known as 4727, 4735, 4739, 4743, 4755, 4757 and 4759 S. South Cottage Grove Avenue, Chicago, Illinois 60615 (the "Property"), which Property is legally described on Exhibit A attached hereto; and

WHEREAS, pursuant to ordinances adopted by the City Council of the City (the "City Council") on July 8, 1998, and published in the Journal of the Proceedings of the City Council (the "Journal") of such date: (i) a certain redevelopment plan and project (as amended, "Redevelopment Plan") for the 43rd Street/ Cottage Grove Avenue Tax Increment Financing Redevelopment Project Area ("Area"), was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); (ii) the Area was designated as a redevelopment project area pursuant to the Act; and (iii) tax increment financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Redevelopment Plan; and

WHEREAS, the Property is located in the Area; and

WHEREAS, the Grantee is a wholly-owned subsidiary of the Developer; and

WHEREAS, the Developer is wholly-owned by Milhouse Development, LLC, an Illinois limited liability company ("Milhouse"), and Syzygy Grove GP, LLC, a Delaware limited liability company ("Syzygy"); and

WHEREAS, the Grantee seeks to purchase the Property from the City in order to remediate the Property, as further described in Section 23 below, and to construct a 3-story building, with a ground floor food hall, and two (2) floors of commercial retail and restaurant space. The building will contain a total of approximately 45,000 square feet of retail space (as further described in Exhibit B attached hereto, the "Project"); and

WHEREAS, the appraised fair market value of the Property as of August 24, 2023, as set forth in an appraisal report prepared by Byrnes & Walsh, LLC, is approximately One Million Three Hundred Seventy Thousand Dollars (\$1,370,000); and

WHEREAS, the City has agreed to sell the Property to the Grantee for One Million Two Hundred Seventy Thousand Dollars (\$1,270,000) ("Purchase Price"), which is One Hundred Thousand Dollars (\$100,000) less than the appraised fair market value in consideration of the Developer's obligation to construct the Project in accordance with the terms and conditions of this Agreement; and

WHEREAS, the City and the Grantee agree that the entire Purchase Price will be deposited into a joint order environmental escrow account for the purpose of reimbursing the Developer for certain environmental costs the Developer incurs with respect to the Project, as further described in Section 3 below; and

WHEREAS, as security for the Developer's completion of the Project and compliance with this Agreement, the Grantee has agreed to execute a reconveyance deed in a form acceptable to the City (the "Reconveyance Deed"); and

WHEREAS, in furtherance of the City's sustainability policy, the Project shall conform to the requirements of the Chicago Landscape Ordinance, Chicago Stormwater Ordinance, and Chicago Sustainable Development Policy; and

WHEREAS, the Developer provided the City with a Phase I Environmental Site Assessment ("Phase I ESA") compliant with ASTM E-1527-13, dated April 29, 2022, for the Property, and a Phase II Environmental Site Assessment, dated September 21, 2022, for the Property ("Phase II ESA"); and

WHEREAS, the Phase I ESA identified Recognized Environmental Conditions ("RECs"), including the potential for three (3) underground storage tanks ("USTs"). Former commercial properties on the Property included Kenwood Motor Co, Schuller & Hefner Charlolet Co. Autos, and Drexel Filling Storage. Historical uses for adjacent properties include a paint shop, print shop, dry cleaners, an automotive repair shop, and an exterminating and lawn maintenance service; and

WHEREAS, the Phase II ESA identified contaminants of concern ("COCs") exceeding the current Illinois Environmental Protection Agency ("IEPA") Tiered Approach to Corrective Action Objectives ("TACO") Tier I Soil Remediation Objectives ("SROs") and Groundwater Remediation

Objectives ("GROs") in multiple samples for both residential and industrial/commercial objectives; and

WHEREAS, a ground penetrating radar survey identified four anomalies; one of which was interpreted to be a possible UST; and

WHEREAS, the Developer shall remove any soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Section 742.305. Any USTs identified must be removed and closed in accordance with applicable regulations including Title 41 of Ill. Adm. Code Part 175 and any identified leaking USTs must be properly addressed in accordance with 35 Ill. Adm. Code Part 734; and

WHEREAS, the Developer must enroll the Property (or any portion thereof) in the IEPA Site Remediation Program ("SRP"), and complete all remediation work necessary to obtain a final comprehensive industrial/commercial (or residential, if applicable) No Further Remediation Letter for the Property using all reasonable means; and

WHEREAS, the City Council, pursuant to an ordinance adopted on \_\_\_\_\_, 20\_\_, and published at pages \_\_\_\_\_ through \_\_\_\_\_ in the Journal for such date (the "Project Ordinance"), authorized the sale of the Property to the Grantee, subject to the execution, delivery and recording of this Agreement.

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

#### SECTION 1. INCORPORATION OF RECITALS.

The foregoing recitals constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

#### SECTION 2. DEFINITIONS.

For purposes of this Agreement, in addition to the terms defined in the foregoing Recitals and elsewhere in this Agreement, the following terms shall have the following meanings:

"Affiliate(s)" when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

"Agent(s)" means any agents, employees, contractors, subcontractors, or other persons acting under the control or at the request of the Developer, the Grantee, or the Developer's or the Grantee's contractors or Affiliates.

"AIS" is defined in Section 10.2.

"Approved Project Costs" is defined in Subexhibit 4 of the Joint Order Escrow Agreement.

"Architect" means Krueck & Sexton Architects, Ltd.

"Closing" is defined in Section 5.

"Closing Date" is defined in Section 5.

"COC" is defined in the recitals.

"Commissioner" means the individual holding the office and exercising the responsibilities of the commissioner or acting commissioner of DPD or any successor City department, and any authorized designee.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Effective Date" means the date upon which this Agreement has been both (a) fully executed, and (b) delivered to the Developer.

"Environmental Escrow" is defined in Section 3.

"Environmental Laws" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD"); the Municipal Code of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Escrow Termination Condition" is defined in Section 3.

"Final NFR Letter" means with respect to the Property, a final comprehensive industrial/commercial, or residential (if applicable), "No Further Remediation" letter from the IEPA approving the use of the Property for the proposed Project, or, if applicable, for residential, recreational or open space use. The Final NFR Letter may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Final Plans" means the final construction plans and specifications prepared by the Architect, as submitted to the Department of Buildings as the basis for obtaining Governmental Approvals for the Project, as such plans and specifications may be amended, revised or supplemented from time to time with the prior written approval of the City.

"Grantee Party(ies)" means the Grantee, any Affiliate of the Grantee, and the respective officers, directors, employees, successors and assigns of the Grantee and the Grantee's Affiliates.

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"IEPA" is defined in the recitals.

"Joint Order Deposit" is defined in Section 3.

"Joint Order Escrow Agreement" is defined in Section 3.

"Laws" means all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

"Losses" means any and all debts, liens (including, without limitation, lien removal and bonding costs), claims, actions, suits, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses, consultants' fees and expenses, costs of investigation, and court costs).

"Municipal Code" means the Municipal Code of Chicago as presently in effect and as hereafter amended from time to time.

"Other Regulated Material" means any Waste, Contaminant, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

"Outside Closing Date" is defined in Section 5.

"Phase I ESA" is defined in the recitals.

"Phase II ESA" is defined in the recitals.

"Purchase Price" is defined in the recitals.

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a final, comprehensive residential No Further Remediation Letter.

"RAP Approval Letter" shall mean written approval from the IEPA of a Remedial Action Plan (RAP).

"Remediation Objectives" means (i) with respect to any portion of the Property to be used for residential, recreational or other open space purposes, TACO Tier I remediation objectives for residential properties as set forth in 35 Ill. Adm. Code Part 742, and (ii) for any portion of the Property to be used for commercial purposes, TACO Tier I remediation objectives for commercial properties as set forth in 35 Ill. Adm. Code Part 742.

"Remediation Work" means all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary obtain a Final No Further Remediation Letter for the Property in accordance with the terms and conditions of the Remedial Action Plan Approval Letter for the Property issued by the IEPA, the SRP Documents (as defined below), all requirements of the IEPA.

"Remediation Work" is defined in Section 23.

"SRO" is defined in the recitals.

"SRP Documents" means all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, and the Remedial Action Completion Report and any and all related correspondence, data and other information prepared by either party pursuant to this Agreement 23.

"TACO" means the Tiered Approach to Corrective Action Objectives codified at 35 Ill. Adm. Code Part 742 et seq.

"Title Company" means \_\_\_\_\_.

"Title Policy" means a title insurance policy issued by the Title Company in the most recently revised ALTA or equivalent form, showing the Developer as the named insured with respect to the Property, noting the recording of this Agreement as an encumbrance against the Property prior to any mortgage or other lien on the Property with respect to any Lender Financing for the Project.

"UST" is defined in the recitals.

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

### SECTION 3. PURCHASE PRICE AND ENVIRONMENTAL ESCROW.

(a) Subject to the terms, covenants and conditions of this Agreement, the City agrees to sell the Property to the Grantee, and the Grantee agrees to purchase the Property from the

City, for the Purchase Price (\$1,270,000), which the Grantee shall pay at the Closing, by cashier's check, certified check of immediately available funds, or wire transfer acceptable to the Title Company. The Grantee shall pay all escrow fees and other title insurance fees and closing costs.

(b) At the Closing, the City and the Grantee will deposit the Purchase Price (such amount, the "Joint Order Deposit") in a joint order escrow account pursuant to a joint order escrow agreement in substantially the form attached hereto as Exhibit C (the "Joint Order Escrow Agreement"). The Developer will be entitled to draw from the joint order escrow account as funds are expended for Approved Project Costs in the performance of the Project. Any funds remaining (included interest, if any) in the joint order escrow account after either (i) the Developer completes the Project and is reimbursed from the joint order escrow account for Approved Project Costs in accordance with this Section 3, or (ii) the Developer fails to complete the Project by the Project Completion Date (as defined in Section 13), as such date may be extended by the City in accordance with Section 13 ((i) and (ii), each referred to as an "Escrow Termination Condition"), will belong to the City and the City will have the sole right to direct the escrow agent to disburse the funds in the joint order escrow account to the City following the occurrence of either Escrow Termination Condition. If environmental remediation costs exceed the dollar amount of the Joint Order Deposit, the Developer shall be responsible for the difference.

#### SECTION 4. EARNEST MONEY AND PERFORMANCE DEPOSIT.

4.1 Earnest Money. [Intentionally omitted.]

4.2 Performance Deposit. On or prior to the Closing, the Grantee shall deposit with the City the amount of \$68,500 as security for the performance of the Developer's obligations under this Agreement ("Performance Deposit"), which amount the City will retain until the City issues a Certificate of Completion (as defined in Section 14). The City will pay no interest to the Grantee on the Performance Deposit. Upon the Developer's receipt of the Certificate of Completion, the Grantee or the Developer shall submit a request for a return of the Performance Deposit to the Grantee, and the City shall return the Performance Deposit within ninety (90) days of receiving such request.

#### SECTION 5. CLOSING.

The closing of this Agreement (i.e., when the Agreement is fully-executed) and the conveyance of the Property (together, the "Closing") shall take place at the downtown offices of the Title Company within thirty (30) days after the Developer and the Grantee have satisfied all conditions precedent set forth in Section 10 hereof, unless DPD, in its sole discretion, waives such conditions (the date of the Closing, the "Closing Date"); provided, however, in no event shall the Closing occur any later than eighteen (18) months from the adoption of the Project Ordinance on \_\_\_\_\_, 20\_\_ (the "Outside Closing Date"), unless the Commissioner of DPD, in his sole discretion, extends such Outside Closing Date by up to three (3) months. On or before the Closing Date, the City shall deliver to the Title Company the Deed (as defined in Section 6.1), all necessary state, county and municipal real estate transfer tax declarations, an ALTA statement, a Grantor-Grantee statement executed by the City, and any other documentation customarily required by the Title Company and typically provided by the City, but expressly excluding, however, "gap" undertaking, title indemnities and similar liabilities.

#### SECTION 6. CONVEYANCE OF TITLE.



6.1 Form of City Deed. The City shall convey the Property to the Grantee by quitclaim deed ("Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

- (a) the Redevelopment Plan for the Area, as such Redevelopment Plan may be amended from time to time, until the Redevelopment Plan (as may be amended) expires;
- (b) the standard exceptions in an ALTA title insurance policy;
- (c) general real estate taxes and any special assessments or other taxes;
- (d) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (e) such other title defects as may exist; and
- (f) any and all exceptions caused by the acts of the Developer or its Agents.

6.2 Recording. The Grantee shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to the Grantee. This Agreement shall be recorded prior to any mortgage made in connection with any Lender Financing. Upon recording, the Grantee shall immediately transmit to the City an executed original of this Agreement showing the date and recording number.

6.3 Reconveyance Deed. On the Closing Date, the Grantee shall execute and deliver a Reconveyance Deed (in substantially the form attached hereto as Exhibit D) to the City to be held in trust. The Grantee and Developer acknowledge and agree that the City shall have the right to record the Reconveyance Deed and revest title to the Property and all improvements thereon in the City in accordance with Section 20 hereof.

## SECTION 7. TITLE AND SURVEY.

7.1 Title Commitment and Insurance. Not less than thirty (30) days before the Closing, the Grantee shall obtain a commitment for an owner's policy of title insurance for the Property, issued by the Title Company (the "Title Commitment"). The Grantee shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation and later date fees), and obtaining the Title Policy and any endorsements it deems necessary.

7.2 Correction of Title. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the Property or liens for such unpaid property taxes, the City shall ask the County to void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the Property remains subject to any tax liens, or if the Property is encumbered with any other exceptions that would adversely affect the use and insurability of the Property for the development of the Project, the Grantee and the Developer have the option to do one of the following: (a) the Grantee shall accept title to the Property subject to the exceptions, without reduction in the Purchase Price; or (b) the Grantee and the Developer shall terminate this Agreement by delivery of written notice to the City, in which event this Agreement shall be null and void, and except as otherwise specifically provided herein, none of the parties shall have any further right, duty or obligation hereunder. If the Developer and the Grantee elect not to terminate this Agreement as aforesaid, the Grantee shall be deemed to have accepted title subject to all exceptions.

7.3 Survey. The Grantee shall obtain a survey of the Property at the Developer's sole cost and expense.

#### SECTION 8. BUILDING PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer shall apply for and obtain all necessary building permits and other required permits and approvals ("Governmental Approvals") for the Project prior to the Closing, unless DPD, in its sole discretion, extends such due date.

#### SECTION 9. PROJECT BUDGET AND PROOF OF FINANCING.

The Developer has furnished to DPD, and DPD has approved, a preliminary project budget showing total costs for the construction of the Project in the amount of approximately \$40,575,000. The Developer hereby certifies to the City that the preliminary project budget is true, correct and complete in all material respects. Not less than fourteen (14) days prior to the Closing Date, the Developer shall submit to DPD for approval a final project budget ("Budget") and proof reasonably acceptable to the City that the Developer has equity in amounts adequate to complete the Project and satisfy its obligations under this Agreement ("Proof of Financing"). The Proof of Financing shall include evidence of the Developer's ability to make an equity contribution in the amount of the required financing, as evidenced in the final Budget.

#### SECTION 10. CONDITIONS PRECEDENT TO CLOSING.

The obligations of the City under this Agreement are contingent upon the delivery or satisfaction of each of the following items, unless waived by DPD in its sole discretion, at least fourteen (14) days prior to the Closing Date, unless another time period is specified below:

A. Legal Opinion. The Developer and the Grantee have each submitted to the Corporation Counsel, and the Corporation Counsel has approved, an opinion of counsel in a form reasonably acceptable to the City of due authorization, execution and enforceability (subject to bankruptcy and creditor's rights) of this Agreement and all other documentation signed by the Developer, the Grantee or both, provided for herein.

B. Due Diligence. The Developer and the Grantee have each submitted to the Corporation Counsel the following due diligence searches in its name (as plaintiff and as defendant for litigation searches), showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the Corporation Counsel:

- i. Bankruptcy Search, U. S. Bankruptcy Court for the N.D. Illinois;
- ii. Pending Suits and Judgments, U. S. District Court for the N.D. Illinois;
- iii. Federal Tax Lien Search, Illinois Secretary of State;
- iv. UCC Search, Illinois Secretary of State;
- v. UCC Search, Cook County Recorder;
- vi. Federal Tax Lien Search, Cook County Recorder;
- vii. State Tax Lien Search, Cook County Recorder;
- viii. Memoranda of Judgments Search, Cook County; and
- ix. Pending Suits and Judgments, Circuit Court of Cook County.

In addition, the Developer and the Grantee shall have each provided to the Corporation Counsel a written description of all pending or threatened litigation or administrative proceedings involving

such corporation, 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.

C. Organization and Authority Documents. The Developer and the Grantee shall have each submitted to the Corporation Counsel its articles of organization, including all amendments thereto, as furnished and certified by the Delaware Secretary of State or Illinois Secretary of State, respectively, and a copy of its operating agreement, as certified by the manager of the company. The Developer and the Grantee have each submitted to the Corporation Counsel resolutions authorizing it to execute and deliver this Agreement and any other documents required to complete the transaction contemplated by this Agreement and to perform its obligations under this Agreement; a certificate of good standing from the applicable Secretary of State dated no more than thirty (30) days prior to the Closing Date; and such other corporate authority and organizational documents as the City may reasonably request.

D. Economic Disclosure Statement. The Developer and the Grantee have each provided to the Corporation Counsel an Economic Disclosure Statement in the City's then current form, dated as of the Closing Date.

E. Budget. The Developer has submitted to DPD, and DPD has approved, the Budget in accordance with the provisions of Section 9 hereof.

F. Proof of Developer Equity. The Developer has submitted to DPD, and DPD has approved, the Proof of Funding for one hundred percent (100%) of the funds required to complete the Project.

G. Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Final Plans for the Project in accordance with the provisions of Section 11.1 hereof.

H. Governmental Approvals. The Developer has received all Governmental Approvals necessary to construct the Project and has submitted evidence thereof to DPD, including but not limited to all necessary building permits.

I. Title. On the Property Closing Date, the Grantee shall furnish the City with a copy of the pro forma Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy shall be dated as of the Closing Date and shall evidence the earlier recording of this Agreement. The Title Policy shall also contain such endorsements as the Corporation Counsel shall request, including, but not limited to, an owner's comprehensive endorsement and satisfactory endorsements regarding contiguity, location, access and survey.

J. Survey. The Grantee has furnished the City with copies of any surveys prepared for the Property.

K. Insurance. The Developer, the Grantee, Milhouse and Syzygy have each submitted to the City, and the City has approved, evidence of liability and property insurance reasonably acceptable to the City for the Property. The City shall be named as an additional insured on all liability insurance policies and as a loss payee (subject to the prior rights of any first mortgagee) on all property insurance policies from the Closing Date through the date the City issues a Certificate of Completion (as defined in Section 14 below) for the Project. With respect to property insurance, the City will accept either a 2003 ACORD 28 form, or a 2006 ACORD 28

form with a policy endorsement showing the City as a loss payee (subject to the prior rights of any first mortgagee). With respect to liability insurance, the City will accept an ACORD 25 form, together with a copy of the endorsement that is added to the Developer's and to the Grantee's policy showing the City as an additional insured.

L. MBE/WBE and City Residency Hiring Compliance Plan. The Developer and the Developer's general contractor and all major subcontractors have met with staff from DPD regarding compliance with the MBE/WBE, city residency hiring and other requirements set forth in Section 24, and DPD has approved the Developer's compliance plan in accordance with Section 24.4.

M. Reconveyance Deed. On the Closing Date, the Grantee shall deliver a Reconveyance Deed for the Property to the City for possible recording in accordance with Section 20 below, if applicable. At the Grantee's request, the City will deposit the Reconveyance Deed into a sole order escrow with the City having power of direction, provided that the Grantee pays all costs associated with such escrow.

N. Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in Section 25 and elsewhere in this Agreement shall be true and correct.

O. Remediation Costs. The Developer must provide the City's Department of Assets, Information and Services ("AIS") a list of proposed itemized remedial costs for which the Developer anticipates seeking reimbursement from the Escrow Agreement. Such list is subject to AIS approval.

P. Leases. The Developer has provided the City copies of letters of intent from potential tenants of the Project which will occupy at least 25% of the total net leasable space.

Q. Other Obligations. On the Closing Date, the Developer and the Grantee shall have each performed all of the other obligations required to be performed by the Developer, the Grantee or both under this Agreement as and when required under this Agreement, including the applicable requirements of Section 23.

If any of the conditions in this Section 10 have not been satisfied to DPD's reasonable satisfaction within the time periods provided for herein, or waived by DPD, DPD may, at its option, upon thirty (30) days' prior written notice to the Developer and the Grantee, terminate this Agreement at any time after the expiration of the applicable time period, in which event this Agreement shall be null and void and, except as otherwise specifically provided, none of the parties shall have any further right, duty or obligation hereunder; provided, however, that if within said thirty (30) day notice period the Developer, the Grantee or both, as applicable, satisfies said condition(s), then the termination notice shall be deemed to have been withdrawn. Any forbearance by DPD in exercising its right to terminate this Agreement upon a default hereunder shall not be construed as a waiver of such right.

## SECTION 11. CONSTRUCTION REQUIREMENTS.

11.1 Plans and Permits. The Developer shall construct the Project on the Property in accordance with the drawings and specifications prepared by the Architect, and attached hereto as Exhibit E ("Preliminary Drawings") and the Final Plans. No material deviation from the Preliminary Drawings may be made without the prior written approval of DPD. The Preliminary

Drawings and the Final Plans shall at all times conform to the Redevelopment Plan and all applicable Laws. If the Developer submits and DPD approves revised drawings and specifications after the Effective Date, the term "Preliminary Drawings" as used herein shall refer to the revised drawing and specifications upon DPD's written approval of the same. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire Governmental Approvals for the Project.

11.2 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and cause the general contractor and each subcontractor to abide by the terms set forth in Section 24.2 (City Resident Construction Worker Employment Requirement) and Section 24.3 (MBE/WBE Commitment) of this Agreement. The Developer shall deliver to the City written progress reports detailing compliance with such requirements on a quarterly basis. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

11.3 Relocation of Utilities, Curb Cuts and Driveways. The Developer shall be solely responsible for and shall pay all costs associated with: (a) the relocation, installation or construction of public or private utilities, curb cuts and driveways; (b) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with or damaged as a result of the Developer's construction of the Project; (c) the removal of existing pipes, utility equipment or building foundations; and (d) the termination of existing water or other utility services. The City shall have the right to approve any streetscaping provided by the Developer as part of the Project, including, without limitation, any paving of sidewalks, landscaping and lighting.

11.4 City's Right to Inspect Property. For the period commencing on the Closing Date and continuing through the date the City issues the Certificate of Completion, any duly authorized representative of the City shall have access to the Property, upon at least one (1) business day's notice, at all reasonable times for the purpose of determining whether the Developer is constructing the Project in accordance with the terms of this Agreement and all applicable Laws. The Developer may require that the City representative be accompanied by a representative of the Developer.

11.5 Barricades and Signs. The Developer shall, at its sole cost and expense, erect and maintain such signs as the City may reasonably require during the Project, identifying the site as a City redevelopment project. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications. Prior to the commencement of any construction activity requiring barricades, the Developer shall install barricades of a type and appearance satisfactory to the City and constructed in compliance with all applicable Laws. DPD shall have the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades. The Developer shall erect all signs and barricades so as not to interfere with or affect any bus stop or train station in the vicinity of the Property.

11.6 Survival. The provisions of this Section 11 shall survive the Closing.

## SECTION 12. LIMITED APPLICABILITY.

Any approval given by DPD pursuant to this Agreement is for the purpose of this Agreement only and does not constitute the approval required by the City's Department of Buildings or any other City department, nor does such approval constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the Property, or the compliance of said improvements with any Laws, private covenants, restrictions of record, or any agreement affecting the Property or any part thereof.

### SECTION 13. COMMENCEMENT AND COMPLETION OF PROJECT.

The Developer shall commence construction of the Project no later than sixty (60) days following the Closing Date, and shall complete the Project (as evidenced by the issuance of the Certificate of Completion) no later than eighteen (18) months following the date on which the Developer commences construction of the Project (the "Project Completion Date," as such date may be amended from time to time); provided, however, DPD, in its sole discretion, may extend the construction commencement and completion dates. The Developer shall give written notice to the City within five (5) days after it commences construction. The Developer shall construct the Project in accordance with the Final Plans and all Laws and covenants and restrictions of record.

### SECTION 14. CERTIFICATE OF COMPLETION.

Upon the completion of the Project, the Developer shall request in writing from the City a certificate of completion (the "Certificate of Completion"). The Developer's written request shall include: (a) a request for the return of the Performance Deposit (if any) to the Grantee; (b) a copy of the certificate of occupancy for the Project issued by the City's Department of Buildings; (c) a copy of the close-out letter from DPD regarding compliance with Section 24 hereof; (d) a copy of the recorded Final NFR Letter (as defined in Section 2) for the Property pursuant to Section 23 hereof; and (e) compliance documentation evidencing compliance with the City's MBE/WBE and City Residency requirements. Within forty-five (45) days thereof, the City shall provide the Developer with either the Certificate of Completion or a written statement indicating in adequate detail how the Developer has failed to complete the Project in compliance with this Agreement, or is otherwise in default, and what measures or acts are necessary, in the sole opinion of DPD, for the Developer to take or perform in order to obtain the Certificate of Completion. If DPD requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate of Completion upon compliance with the City's response. The Certificate of Completion shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of certain of the covenants in this Agreement and the Deed (but excluding those on-going covenants as referenced in Section 19) with respect to the Developer's obligations to construct the Project.

### SECTION 15. RESTRICTIONS ON USE.

The Developer and the Grantee, for themselves and the successors and assigns of the Developer and of the Grantee, each agree as follows:

15.1 The Developer and the Grantee shall not discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income in the sale, lease, rental, use or occupancy of the Property or the Project or any part thereof.

15.2 The Grantee and the Developer shall devote the Property to a use consistent with the Redevelopment Plan.

15.3 The Developer shall construct the Project in accordance with this Agreement, the Final Plans, and all Laws and covenants and restrictions of record.

The Developer and the Grantee, for themselves and the successors and assigns of the Developer and of the Grantee, each acknowledge and agree that the development and use restrictions set forth in this Section 15 constitute material, bargained-for consideration for the City and are intended to further the City's public policies.

#### SECTION 16. PROHIBITION AGAINST SALE OR TRANSFER OF PROPERTY.

Prior to the issuance of the Certificate of Completion, (a) the Grantee may not, without the prior written consent of DPD, which consent shall be in DPD's sole discretion, directly or indirectly sell, transfer or otherwise dispose of the Property or any part thereof or any interest therein or the Grantee's controlling interests therein (including, without limitation, a transfer by assignment of any beneficial interest under a land trust); and (b) neither the Developer nor the Grantee may, without the prior written consent of DPD, which consent shall be in DPD's sole discretion, directly or indirectly assign this Agreement. The Developer acknowledges and agrees that DPD may withhold its consent under (a) or (b) above if, among other reasons, the proposed purchaser, transferee or assignee (or such entity's principal officers or directors) is in violation of any Laws, or if the Developer or the Grantee fails to submit sufficient evidence of the financial responsibility, business background and reputation of the proposed purchaser, transferee or assignee. No principal party of the Developer or of the Grantee (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the entity prior to the City's issuance of the final Certificate of Completion to anyone other than another principal party, without the prior written consent of DPD, which consent shall be in DPD's sole discretion. The Developer must disclose the identity of all members or other individuals or entities that will obtain an ownership or control interest in the Developer to the City prior to such members or other individuals or entities obtaining an interest in the Developer.

#### SECTION 17. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Prior to the issuance of the Certificate of Completion for the Project, the Developer and the Grantee shall not, without DPD's prior written consent, which shall be in DPD's sole discretion, engage in any financing or other transaction which would create an encumbrance or lien on the Property, except for any Lender Financing already approved pursuant to Section 9, which shall be limited to funds necessary to construct the Project.

#### SECTION 18. MORTGAGEES NOT OBLIGATED TO CONSTRUCT.

Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage authorized by this Agreement (or any Affiliate of such holder) shall not itself be obligated to construct or complete the Project, or to guarantee such construction or completion, but shall be bound by the other covenants running with the land specified in Section 19. If any such mortgagee or its Affiliate succeeds to the Grantee's interest in the Property prior to the issuance of the Certificate of Completion, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property to another party, such transferee shall be

obligated to complete the Project, and shall also be bound by the other covenants running with the land specified in Section 19.

## SECTION 19. COVENANTS RUNNING WITH THE LAND.

The parties agree, and the Deed shall so expressly provide, that the covenants, agreements, releases and other terms and provisions contained in Section 13 (Commencement and Completion of Project), Section 15 (Restrictions on Use), Section 16 (Prohibition Against Sale or Transfer of Property), Section 17 (Limitation Upon Encumbrance of Property), and Section 23 (Release for Environmental Conditions), touch and concern and shall be appurtenant to and shall run with the Property. Such covenants, agreements, releases and other terms and provisions shall be binding on the Developer and the Grantee and the successors and assigns of the Developer and of the Grantee (subject to the limitation set forth in Section 18 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. Such covenants, agreements, releases and other terms and provisions shall terminate as follows: Sections 13, 15.3, 16 and 17 upon the issuance of the Certificate of Completion; Section 15.2 upon the expiration of the Redevelopment Plan; and Section 15.1 and Section 23.3 (Release for Environmental Conditions) with no limitation as to time.

## SECTION 20. PERFORMANCE AND BREACH.

20.1 Time is of the Essence. Time is of the essence in the Developer's and the Grantee's performance of its obligations under this Agreement.

20.2 Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Agreement:

- (a) the failure of the Developer or the Grantee to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer or the Grantee, respectively, under this Agreement or any related agreement;
- (b) the failure of the Developer or the Grantee to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer or the Grantee, respectively, under any other agreement with any person or entity if such failure may have a material adverse effect on the Developer's or the Grantee's business, property, assets, operations or condition, financial or otherwise;
- (c) the making or furnishing by the Developer or the Grantee of any warranty, representation, statement, certification, schedule or report to the City (whether in this Agreement, an Economic Disclosure Statement, or another document) which is untrue or misleading in any material respect;
- (d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, or the making or any attempt to make any levy, seizure or attachment thereof; provided, however, a mechanics' lien filed against the Project shall not constitute an Event of Default if the Developer or the Grantee, at the Developer's or the Grantee's sole cost and expense, within ten (10) days after knowledge or notice of the filing of any mechanics' lien or any notice of intention to file a mechanics' lien, causes the same to be removed or



discharged of record by payment, bond, order of a court of competent jurisdiction, or otherwise;]

(e) the commencement of any proceedings in bankruptcy by or against the Developer or the Grantee or for the liquidation or reorganization of the Developer or the Grantee, or alleging that the Developer or the Grantee is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's or the Grantee'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 or the Grantee; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

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

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of the Developer or the Grantee;

(j) the occurrence of a material and adverse change in the Developer's or the Grantee's financial condition or operations; and

(k) the recording of any mortgage or other lien against the Property related to any Lender Financing prior to the recording of this Agreement against the Property. (In particular but not by way of limitation the Developer or the Grantee may cure an Event of Default under this Section 20.2(k) pursuant to Section 20.3 below by recording a subordination agreement acceptable to the City against the Property whereby the applicable Lender subordinates its mortgage or other lien against the Property related to its Lender Financing to this Agreement for the benefit of the City.

**20.3 Cure.** If the Developer or the Grantee defaults in the performance of its obligations under this Agreement, the Developer or the Grantee, as applicable, shall have thirty (30) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer or the Grantee, as applicable, promptly commences such cure and thereafter diligently pursues such cure to completion (so long as continuation of the default does not create material risk to the Project or to persons using the Project). Notwithstanding the foregoing or any other provision of this Agreement to the contrary:

(a) there shall be no notice requirement with respect to Events of Default described in Section 5 (with respect to the Outside Closing); and

(b) there shall be no notice requirement or cure period with respect to Events of Default described in Section 13 (Commencement and Completion of Project), Section 16 (Prohibition Against Transfer of Property) and Section 17 (Limitation Upon Encumbrance of Property).

20.4 Prior to the Closing. If an Event of Default occurs prior to the Closing, and the default is not cured in the time period provided for in Section 20.3 above, the City may terminate this Agreement or institute any remedies available to it at law or in equity against the Developer and the Grantee.

20.5 At or After the Closing. If an Event of Default occurs at or after the Closing but prior to the issuance of the final Certificate of Completion, and the default is not cured in the time period provided for in Section 20.3 above, the City may terminate this Agreement and exercise any and all remedies available to it at law or in equity, including the right to reenter and take possession of the Property, terminate the estate conveyed to the Grantee, and revert title to the Property in the City; provided, however, the City's foregoing right of reverter shall be limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. If the Reconveyance Deed is recorded by the Title Company, the Grantee shall be responsible for all real estate taxes and assessments which accrued during the period the Property was owned by the Grantee, and shall cause the release of all liens or encumbrances placed on the Property during the period of time the Property was owned by the Grantee. The Grantee will cooperate with the City and Title Company to ensure that if the Title Company records the Reconveyance Deed, such recording is effective for purposes of transferring title to the Property to the City, subject only to those title exceptions that were on title as of the date and time that the City conveyed the Property to the Grantee and except for any mortgage authorized by this Agreement.

20.6 Resale of the Property. Upon the reversion in the City of title to the Property as provided in Section 20.5, the City may complete the Project or convey the Property, subject to any first mortgage lien, to a qualified and financially responsible party reasonably acceptable to the first mortgagee, who shall assume the obligation of completing the Project or such other improvements as shall be satisfactory to DPD, and otherwise comply with the covenants that run with the land as specified in Section 19.

20.7 Disposition of Resale Proceeds. If the City sells the Property as provided for in Section 20.6, the net proceeds from the sale, after payment of all amounts owed under any mortgage liens authorized by this Agreement in order of lien priority, shall be utilized to reimburse the City for:

(a) costs and expenses incurred by the City (including, without limitation, salaries of personnel) in connection with the recapture, management and resale of the Property (less any income derived by the City from the Property in connection with such management); and

(b) all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and

(c) any payments made (including, without limitation, reasonable attorneys' fees and court costs) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer; and

(d) any expenditures made or obligations incurred with respect to construction or maintenance of the Project; and

(e) any other amounts owed to the City by the Developer or the Grantee.

The Grantee shall be entitled to receive any remaining proceeds up to the amount of the Grantee's equity investment in the Property.

#### SECTION 21. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer and the Grantee each represent and warrant that no Agent, official or employee of the City shall have any personal interest, direct or indirect, in the Developer or the Grantee, this Agreement, the Property or the Project, nor shall any such Agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, association or other entity in which he or she is directly or indirectly interested. No Agent, official or employee of the City shall be personally liable to the Developer or the Grantee or any successor in interest to the Developer or the Grantee in the event of any default or breach by the City or for any amount which may become due to the Developer or the Grantee or successor or with respect to any commitment or obligation of the City under the terms of this Agreement.

#### SECTION 22. INDEMNIFICATION.

The Developer and the Grantee each agree to indemnify, defend and hold the City harmless from and against any Losses suffered or incurred by the City arising from or in connection with: (a) the failure of the Developer or the Grantee to perform its obligations under this Agreement; (b) the failure of the Developer or the Grantee or any Agent to pay contractors, subcontractors or material suppliers in connection with the construction and management of the Project; (c) any misrepresentation or omission made by the Developer, the Grantee or any Agent in connection with this Agreement; (d) the failure of the Developer or the Grantee to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (e) any activity undertaken by the Developer, the Grantee or any Agent on the Property prior to or after the Closing, unless such Losses are caused by and a direct result of the gross negligence or intentional misconduct of the representative(s) of the City while on the Property. This indemnification shall survive the Closing and any termination of this Agreement (regardless of the reason for such termination).

#### SECTION 23. ENVIRONMENTAL MATTERS.

##### 23.1. Testing and Remediation.

(a) The Developer has provided the City with a Phase I ESA compliant with ASTM E-1527-13 for the Property, dated April 29, 2022. The Phase I ESA identified RECs, including the potential for three (3) USTs. Former commercial properties on-site included Kenwood Motor Co, Schuller & Hefner Charlolet Co Autos, and Drexel Filling Storage. Historical uses for adjacent

properties include a paint shop, print shop, dry cleaners, an automotive repair shop, and an exterminating and lawn maintenance service.

(b) The Developer has provided the City with a Phase II ESA dated September 21, 2022. COCs exceeding the current IEPA TACO Tier I SROs and GROs were observed in multiple samples for both residential and industrial/commercial objectives. The results of a ground penetrating radar survey identified four anomalies; one that was interpreted to be a possible UST.

(c) The Developer shall remove any soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Section 742.305. Any USTs identified must be removed and closed in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175, and any identified leaking USTs must be properly addressed in accordance with 35 Ill. Adm. Code Part 734.

(d) The Phase II ESA identified contamination above Industrial/Commercial (I/C) objectives as determined by 35 Ill. Adm. Code Part 742. The Developer must enroll the Property (or any portion thereof) in the SRP. The Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues a RAP Approval Letter for the Property. The proposed retail and restaurant end use of the Property is eligible for I/C objectives. If the proposed end use changes to include residential, then the Developer must obtain a comprehensive residential NFR letter.

(e) Upon receipt of the RAP Approval Letter for the Property, the Developer covenants and agrees to complete all Remediation Work necessary to obtain a Final NFR Letter for the Property using all reasonable means. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees to not request a certificate of occupancy for the Project from the Department of Buildings (DOB) until the IEPA has issued, and the Developer has recorded with the Cook County Clerk's Office and the City has approved, a Final Comprehensive Residential or Industrial/Commercial, as necessary, NFR Letter for the Property (to the extent required), which approval shall not be unreasonably withheld. If the Developer fails to obtain the Final NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, then the City shall have the right to record a notice of default of this Agreement against the Property. The Developer may not commence construction until after its receipt of the RAP Approval Letter.

(f) The Developer and the Grantee shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters. The City must be named in a reliance letter for all environmental assessment reports produced concerning the Property.

(g) The Developer and the Grantee must abide by the terms and conditions of the Final NFR letter.

23.2. Release and Indemnification. The Grantee, on behalf of itself and the Grantee Parties, and anyone claiming by, through or under any of them, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Grantee following the date of the Deed, hereby releases, relinquishes and forever discharges the City Parties, from and against any and all Losses which the Grantee or any of the Grantee Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the date of this Deed, based upon, arising out of or in any way connected with, directly or indirectly: (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances or Other Regulated Material in, on, under or about the Property or the migration of Hazardous Substances or Other Regulated Material from or to other property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Grantee shall defend (through an attorney reasonably acceptable to the City), indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Grantee Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims. The Grantee and the Grantee Parties waive their rights of contribution and subrogation against the City Parties.

23.3. Release Runs with the Property. The covenant of release set forth in Section 23.2 shall run with the Property and shall be binding upon all successors and assigns of the Grantee with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Grantee following the date of the Deed. The Grantee acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to convey the Property, and that, but for such release, the City would not have agreed to convey the Property to the Grantee. It is expressly agreed and understood by and between the Grantee and the City that, should any future obligation of the Grantee or the Grantee Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Grantee nor any of the Grantee Parties shall assert that those obligations must be satisfied in whole or in part by the City, because this covenant contains a full, complete and final release of all such claims.

23.4. Survival. The terms of this Section 23 shall survive the Closing or any earlier termination of this Agreement (regardless of the reason for such termination).

## SECTION 24. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

24.1 Employment Opportunity. The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any Affiliate of the Developer operating on the Property

(collectively, the “Employers” and individually, an “Employer”) to agree, that with respect to the provision of services in connection with the construction of the Project:

(a) Neither the Developer nor any 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, Section 2-160-010 et seq. of the Municipal Code, as amended from time to time (the “Human Rights Ordinance”). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon the foregoing grounds, 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. The Developer and 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 Developer and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon the foregoing grounds.

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

(c) The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), both as amended from time to time, and any regulations promulgated thereunder.

(d) The Developer, in order to demonstrate compliance with the terms of this Section 24.1, 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) The Developer and 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 operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 24.1 shall be a basis for the City to pursue remedies under the provisions of Section 20.

24.2 City Resident Employment Requirement.

(a) The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, the Developer and each Employer shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code (at least fifty percent); provided, however, that doing so does not violate a collective bargaining agreement of Developer or an Employer and that in addition to complying with this percentage, the Developer and each Employer shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

(b) The Developer and the Employers 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 in accordance with standards and procedures developed by the chief procurement officer of the City of Chicago.

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

(d) The Developer and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the construction of the Project. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

(f) The Developer and the Employers shall provide full access to their employment records to the chief procurement officer, DPD, the Superintendent of the Chicago Police Department, the inspector general, or any duly authorized representative thereof. The Developer and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after the issuance of the Certificate of Completion.

(g) At the direction of DPD, the Developer and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of the Developer and the Employers to provide work for 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 24.2 concerning the worker hours performed by actual Chicago residents.

(i) If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section 24.2 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 24.2. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 20.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employees to prosecution.

(j) 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.

(k) The Developer shall cause or require the provisions of this Section 24.2 to be included in all construction contracts and subcontracts related to the construction of the Project.

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 24.3, during the course of construction of the Project, at least 26% of the aggregate hard construction costs, together with related soft costs, shall be expended for contract participation by minority-owned businesses and at least 6% of the aggregate hard construction costs, together with related soft costs, shall be expended for contract participation by women-owned businesses.

(b) For purposes of this Section 24.3 only:

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

(ii) The term "minority-owned business" or "MBE" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified



by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or (ii) the amount of any actual work performed on the Project by the MBE or WBE); by the Developer utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Project by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the construction of the Project to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Project from one or more MBEs or WBEs; or by any combination of the foregoing. Those entities which constitute both an MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 24.3. In accordance with Section 2-92-730, Municipal Code, the Developer shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of DPD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the construction of the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the general contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction of 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 the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the construction of the Project for at least five (5) years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on prior notice of at least five (5) business days, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Project.

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

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 24.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

24.4 Pre-Construction Conference and Post-Closing Compliance Requirements. Not less than fourteen (14) days prior to the Closing Date, the Developer and the Developer's general contractor and all major subcontractors shall meet with DPD monitoring staff regarding compliance with all Section 24 requirements. During this pre-construction meeting, the Developer shall present its plan to achieve its obligations under this Section 24, the sufficiency of which the City's monitoring staff shall approve as a precondition to the Closing. During the construction of the Project, the Developer shall submit all documentation required by this Section 24 to the City's monitoring staff, including, without limitation, the following: (a) subcontractor's activity report; (b) contractor's certification concerning labor standards and prevailing wage requirements; (c) contractor letter of understanding; (d) monthly utilization report; (e) authorization for payroll agent; (f) certified payroll; (g) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (h) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 24, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (x) issue a written demand to the Developer to halt construction of the Project, (y) withhold any further payment of any City funds to the Developer or the general contractor, or (z) seek any other remedies against the Developer available at law or in equity.

## SECTION 25. REPRESENTATIONS AND WARRANTIES.

25.1 Representations and Warranties of the Developer. To induce the City to execute this Agreement and perform its obligations hereunder, the Developer represents, warrants and covenants to the City that as of the Effective Date the following shall be true, accurate and complete in all respects:

(a) The Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and the person signing this Agreement on behalf of the Developer has the authority to do so.

(b) All certifications and statements contained in the Economic Disclosure Statements submitted to the City by the Developer (and any legal entity holding an interest in the Developer) are true, accurate and complete.

(c) The Developer's execution, delivery and performance of this Agreement and all instruments and agreements contemplated hereby will not, upon the giving of notice or lapse of time, or both, result in a breach or violation of, or constitute a default under, any other agreement to which the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is bound.

(d) No action, litigation, investigation or proceeding of any kind is pending or threatened against the Developer, or any party affiliated with the Developer, by or before any court, governmental commission, board, bureau or any other administrative agency,

and the Developer knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (i) affect the ability of the Developer to perform its obligations hereunder; or (ii) materially affect the operation or financial condition of the Developer.

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

(f) The Developer has and shall maintain all Governmental Approvals (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project.

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

(h) The Project will not violate: (i) any applicable Laws, including, without limitation, any zoning and building codes and Environmental Laws; or (ii) any building permit, restriction of record or other agreement affecting the Property.

25.2 Representations and Warranties of the Grantee. To induce the City to execute this Agreement and perform its obligations hereunder, the Grantee represents, warrants and covenants to the City that as of the Effective Date the following shall be true, accurate and complete in all respects:

(a) The Grantee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and the person signing this Agreement on behalf of the Grantee has the authority to do so.

(b) All certifications and statements contained in the Economic Disclosure Statements submitted to the City by the Grantee (and any legal entity holding an interest in the Grantee) are true, accurate and complete.

(c) The Grantee's execution, delivery and performance of this Agreement and all instruments and agreements contemplated hereby will not, upon the giving of notice or lapse of time, or both, result in a breach or violation of, or constitute a default under, any other agreement to which the Grantee, or any party affiliated with the Grantee, is a party or by which the Grantee or the Property is bound.

(d) No action, litigation, investigation or proceeding of any kind is pending or threatened against the Grantee, or any party affiliated with the Grantee, by or before any court, governmental commission, board, bureau or any other administrative agency, and the Grantee knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (i) affect the ability of the Grantee to perform its obligations hereunder; or (ii) materially affect the operation or financial condition of the Grantee.

(e) The Grantee is now and for the term of the Agreement shall remain solvent and able to pay its debts as they mature.

(f) The Grantee has and shall maintain all Governmental Approvals (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project.

(g) The Grantee is not in default with respect to any indenture, loan agreement, mortgage, note or any other agreement or instrument related to the borrowing of money to which the Grantee is a party or by which the Grantee is bound.

(h) The Project will not violate: (i) any applicable Laws, including, without limitation, any zoning and building codes and Environmental Laws; or (ii) any building permit, restriction of record or other agreement affecting the Property.

25.3 Representations and Warranties of the City. To induce the Developer and the Grantee to execute this Agreement and perform its obligations hereunder, the City hereby represents and warrants to the Developer and to the Grantee that the City has authority under its home rule powers to execute and deliver this Agreement and perform the terms and obligations contained herein, and the person signing this Agreement on behalf of the City has the authority to do so.

25.4 Survival of Representations and Warranties. Each of the parties agrees that all warranties, representations, covenants and agreements contained in this Section 25 and elsewhere in this Agreement are true, accurate and complete as of the Effective Date and shall survive the Closing and be in effect throughout the term of the Agreement.

## SECTION 26. NOTICES.

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602
With a copy to:	City of Chicago Department of Law 121 North LaSalle Street, Suite 600 Chicago, Illinois 60602 Attn: Real Estate and Land Use Division
If to the Developer:	The Grove Bronzeville, LLC 333 S. Wabash Avenue, Suite 2901 Chicago, Illinois 60604
With a copy to:	Taft Stettinius & Hollister LLP 111 E. Wacker Drive, Suite 2600 Chicago, Illinois 60601 Attn: Graham C. Grady, Partner

If to the Grantee: 4735 South Cottage Grove, LLC  
333 S. Wabash Avenue, Suite 2901  
Chicago, Illinois 60604

With a copy to: Taft Stettinius & Hollister LLP  
111 E. Wacker Drive, Suite 2600  
Chicago, Illinois 60601  
Attn: Graham C. Grady, Partner

Any notice, demand or communication given pursuant to clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or communication given pursuant to clause (b) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (c) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 26 shall constitute delivery.

#### SECTION 27. BUSINESS RELATIONSHIPS.

The Developer and the Grantee each acknowledges (a) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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 described in Section 2-156-080 of the Municipal Code), 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) notwithstanding anything to the contrary contained in this Agreement, 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 and the Grantee each hereby represents and warrants that no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

#### SECTION 28. PATRIOT ACT CERTIFICATION.

The Developer and the Grantee each represents and warrants that neither the Developer, the Grantee nor any Affiliate of the Developer or the Grantee is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

SECTION 29. PROHIBITION ON CERTAIN CONTRIBUTIONS PURSUANT TO MAYORAL EXECUTIVE ORDER NO. 2011-4.

29.1 The Developer and the Grantee each agrees that the Developer, the Grantee any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer or the Grantee of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, the Developer's contractors and the Grantee's contractors (i.e., any person or entity in direct contractual privity with the Developer or the Grantee regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (the Developer, the Grantee and all the other preceding classes of persons and entities are together the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (a) after execution of this Agreement by the Developer, (b) while this Agreement or any Other Contract (as hereinafter defined) is executory, (c) during the term of this Agreement or any Other Contract, or (d) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

29.2 The Developer and the Grantee each represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached the Developer or the Grantee, or the date the Developer or the Grantee approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

29.3 The Developer and the Grantee each agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

29.4 The Developer and the Grantee each agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

29.5 Notwithstanding anything to the contrary contained herein, the Developer and the Grantee each agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 29 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including, without limitation, termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

29.6 If the Developer or the Grantee intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the Closing, the City may elect to decline to close the transaction contemplated by this Agreement.

29.7 For purposes of this provision:

(a) "Bundle" means to collect contributions from more than one source, which contributions are then delivered by one person to the Mayor or to his political fundraising committee.

(b) "Other Contract" means any other agreement with the City to which the Developer or the Grantee is a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

(c) "Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code, as amended.

(d) Individuals are "domestic partners" if they satisfy the following criteria:

(i) they are each other's sole domestic partner, responsible for each other's common welfare; and

(ii) neither party is married; and

(iii) the partners are not related by blood closer than would bar marriage in the State of Illinois; and

(iv) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and

(v) two of the following four conditions exist for the partners:

(1) The partners have been residing together for at least 12 months.

(2) The partners have common or joint ownership of a residence.

(3) The partners have at least two of the following arrangements:

(A) joint ownership of a motor vehicle;

(B) joint credit account;

(C) a joint checking account;

(D) a lease for a residence identifying both domestic partners as tenants.

(4) Each partner identifies the other partner as a primary beneficiary in a will.

(e) "Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code, as amended.

## SECTION 30. INSPECTOR GENERAL.

It is the duty of every officer, employee, department, agency, contractor, subcontractor, developer, grantee and licensee of the City, and every applicant for certification of eligibility for a

City contract or program, to cooperate with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The Developer and the Grantee each understands and will abide by all provisions of Chapter 2-56 of the Municipal Code.

### SECTION 31. WASTE ORDINANCE PROVISIONS.

In accordance with Section 11-4-1600(e) of the Municipal Code, the Developer and the Grantee each warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, the Developer's, the Grantee's, any general contractor's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner of DPD. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity. This section does not limit the Developer's, general contractor's and its subcontractors' duty to comply with all applicable Laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

### SECTION 32. 2014 CITY HIRING PLAN

32.1 The City is subject to the June 16, 2014 "City of Chicago Hiring Plan" (as amended, the "2014 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

32.2 The Developer and the Grantee are aware that City policy prohibits City employees from directing any individual to apply for a position with the Developer or the Grantee, either as an employee or as a subcontractor, and from directing the Developer or the Grantee to hire an individual as an employee or as a subcontractor. Accordingly, the Developer and the Grantee each must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by the Developer or the Grantee under this Agreement are employees or subcontractors of the Developer or the Grantee, respectively, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by the Developer or the Grantee.

32.3 The Developer and the Grantee will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.



32.4 In the event of any communication to the Developer or the Grantee by a City employee or City official in violation of Section 32.2 above, or advocating a violation of Section 32.3 above, the Developer or the Grantee, as applicable, will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General (the "OIG"), and also to the head of the relevant City department utilizing services provided under this Agreement. The Developer and the Grantee will also cooperate with any inquiries by the OIG.

### SECTION 33. FAILURE TO MAINTAIN ELIGIBILITY TO DO BUSINESS WITH THE CITY.

Failure by Developer or the Grantee or any controlling person (as defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of the Agreement and the transactions contemplated thereby. The Developer and the Grantee shall at all times comply with Section 2-154-020 of the Municipal Code.

### SECTION 34. MISCELLANEOUS.

The following general provisions govern this Agreement:

34.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute a single, integrated instrument.

34.2 Cumulative Remedies. The remedies of any party hereunder are cumulative and the exercise of any one or more of such remedies shall not be construed as a waiver of any other remedy herein conferred upon such party or hereafter existing at law or in equity, unless specifically so provided herein.

34.3 Date for Performance. If the final date of any time period set forth herein falls on a Saturday, Sunday or legal holiday under the laws of Illinois or the United States of America, then such time period shall be automatically extended to the next business day.

34.4 Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations and discussions. This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term.

34.5 Exhibits. All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

34.6 Force Majeure. The City, the Developer and the Grantee shall not be considered in breach of its obligations under this Agreement in the event of a delay due to unforeseeable 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, including, without limitation, fires, floods, strikes, shortages of material and unusually severe weather or delays of subcontractors due to such causes. The time for the performance of the obligations shall be

extended only for the period of the delay and only if the party relying on this section requests an extension in writing within twenty (20) days after the beginning of any such delay.

34.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

34.8 Headings. The headings of the various sections and subsections of this Agreement have been inserted for convenience of reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

34.9 No Merger. The terms of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the terms of this Agreement.

34.10 No Waiver. No waiver by the City with respect to any specific default by the Developer or the Grantee shall be deemed to be a waiver of the rights of the City with respect to any other defaults of the Developer or the Grantee, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing.

34.11 Severability. If any term of this Agreement or any application thereof is held invalid or unenforceable, the remainder of this Agreement shall be construed as if such invalid part were never included herein and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

34.12 Successors and Assigns. Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

34.13 Joint and Several Liability. If the Developer or any of the Developer's successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination of them), then and in that event, each and every obligation or undertaking that is stated to be fulfilled or performed by the Developer, is the joint and several obligation or undertaking of each such individual or other legal entity. The Developer acknowledges that each and every obligation or undertaking that is stated to be fulfilled or performed by the Grantee is the joint and several obligation of the Developer and the Grantee. The Grantee acknowledges that each and every obligation or undertaking that is stated to be fulfilled or performed by the Developer is the joint and several obligation of the Grantee and the Developer.

*(Signature Page Follows)*

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

CITY OF CHICAGO,  
an Illinois municipal corporation

By: \_\_\_\_\_  
Commissioner  
Department of Planning and Development

THE GROVE BRONZEVILLE, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

4735 SOUTH COTTAGE GROVE, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

THIS INSTRUMENT PREPARED BY, AND  
AFTER RECORDING, PLEASE RETURN TO:

Arthur Dolinsky, Senior Counsel  
City of Chicago Department of Law  
Real Estate and Land Use Division  
121 North LaSalle Street, Suite 600  
Chicago, Illinois 60602

STATE OF ILLINOIS )  
                              ) SS.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago, an Illinois municipal corporation, 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, as such Commissioner, s/he signed and delivered the foregoing instrument, pursuant to authority given by the City of Chicago, as her/his free and voluntary act and as the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_, the \_\_\_\_\_ of The Grove Bronzeville, LLC, a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that s/he signed and delivered the foregoing instrument pursuant to authority given by said company, as her/his free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_, the \_\_\_\_\_ of 4735 South Cottage Grove, LLC, a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that s/he signed and delivered the foregoing instrument pursuant to authority given by said company, as her/his free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

[Subject to final title commitment and survey]

LOTS 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 AND 17 IN BLOCKS 1 IN W.H. COLVIN'S  
SUBDIVISION OF LOTS 2, 3, 6, 7 AND 10 IN BLOCK 2 OF DREXEL AND SMITH'S  
SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE  
WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14,  
EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PINs:           20-11-100-015  
                  20-11-100-016  
                  20-11-100-017  
                  20-11-100-018  
                  20-11-100-019  
                  20-11-100-020  
                  20-11-100-021

Commonly known as: 4727, 4735, 4739, 4743, 4755, 4757 and 4759 S. Cottage Grove Ave.  
Chicago, IL 60615

## EXHIBIT B

### DESCRIPTION OF THE PROJECT

The Developer shall construct on the Property a 3-story building with a ground floor food hall and two (2) floors of commercial retail and restaurant space. The building will contain a total of approximately 45,000 sq. ft. of commercial retail space. The project includes approximately 13 parking spaces located behind the building and accessible from a rear alley. The building will be a mass-timber structure that provides functional and uniquely sustainable retail amenities for the Kenwood and Grand Boulevard Community. The exterior will be comprised primarily of glass, metal sunshades and metal panels. The building will front S. Cottage Grove and have an operable ground floor façade to extend the public realm into the active food market program.

It is anticipated that the project will create approximately 280 temporary construction jobs, approximately 20 part time support staff jobs, and more than approximately 180 restaurant and commercial opportunities.

EXHIBIT C

FORM OF JOINT ORDER ENVIRONMENTAL ESCROW AGREEMENT

Escrow No. \_\_\_\_\_ Date: \_\_\_\_\_, 20\_\_

To: \_\_\_\_\_ [name of title company] ("Escrowee")  
\_\_\_\_\_  
\_\_\_\_\_  
Chicago, IL 606\_\_

Parties: (a) THE GROVE BRONZEVILLE, LLC, a Delaware limited liability company ("Developer");  
  
(b) CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government ("City"); and  
  
(c) \_\_\_\_\_ ("Lender").

1. The accompanying One Million Two Hundred Seventy Thousand Dollars (\$1,270,000) is deposited by the City and Developer with the Escrowee and shall be used solely to reimburse the Developer for the costs shown on Exhibit 4 attached hereto, otherwise known as the "Approved Project Costs", relating to the Developer's performance of the "Remediation Work," each as defined in, and determined and otherwise governed by the Agreement for the Sale and Redevelopment of Land, among Developer, 4735 South Cottage Grove, LLC, a Delaware limited liability company, and the City of Chicago, dated \_\_\_\_\_, 2023 (the "RDA"). The Remediation Work will be performed on the Property legally described in the attached Exhibit 1 and commonly known as 4727, 4735, 4739, 4743, 4755, 4757 and 4759 S. Cottage Grove Avenue, Chicago, Illinois.

2. The funds shall be disbursed by Escrowee only upon the written joint order of (1) \_\_\_\_\_, in her/his capacity as the \_\_\_\_\_ of Developer, or her/his duly authorized designee, (2) the Commissioner or any Managing Deputy Commissioner of the Department of Assets, Information and Services and (3) any officer of Lender. That written order must be substantially in the form of Exhibit 2 attached hereto. The joint order shall be accompanied by a written statement from \_\_\_\_\_, Developer's general contractor or environmental remediation contractor, in substantially the form of Exhibit 3 attached hereto, which statement shall be attached to the joint order. Draw requests can be submitted on a monthly basis (i.e., within 30 days of the Developer incurring the expense for Approved Project Costs.

3. Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings not given jointly by all of the parties to this Agreement, but Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case Escrowee obeys or complies with any such order, judgment or decree of any court, it shall not be liable to any of the parties to this Agreement or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this



Agreement, to which Escrowee is or may be at any time become a party, Escrowee shall have a lien on the escrow funds for any and all costs and attorneys' fees, whether such attorney shall be regularly retained or specifically employed, and any other expenses that Escrowee may have incurred or become liable for an account thereof out of said escrow funds, and the parties to this Agreement jointly and severally agree to pay Escrowee upon demand all such costs, fees and expenses so incurred.

4. Except as set forth in Paragraph 10 hereof, in no case shall escrow funds be surrendered except on a joint order signed by Developer and the City or their respective legal representatives or successors or as directed pursuant to Paragraph 3 above or in obedience of the process or order of court as provided in this Agreement.

5. If conflicting demands are made upon Escrowee or legal action is brought in connection with this Agreement, Escrowee may withhold all performance without liability therefore, or Escrowee may file suit for interpleader or declaratory relief. If Escrowee is required to respond to any legal summons or proceedings, or if any action of interpleader or declaratory relief is brought by Escrowee, or if conflicting demands or notice by parties to this Agreement or by others are served upon Escrowee, the parties jointly and severally agree to pay escrow fees and all costs, expenses, and attorneys' fees expended or incurred by Escrowee as a result of any of the above described events. The undersigned parties further agree to save Escrowee harmless from all losses and expenses, including reasonable attorneys' fees and court costs incurred by reason of any claim, demand, or action filed with respect to this Agreement. The undersigned jointly and severally agree to pay the fees of Escrowee and reimburse Escrowee for all expenses incurred in connection with this Agreement and direct that all sums due to Escrowee pursuant to this Agreement be deducted from the escrow funds. The undersigned hereby grant Escrowee a lien against the escrow funds to secure all sums due Escrowee. The Escrowee shall not be liable for any act which it may do or omit to do hereunder in good faith and the reasonable exercise of its own best judgment. Any act done or omitted by the Escrowee pursuant to the advice of its legal counsel shall be deemed conclusively to have been performed in good faith by the Escrowee.

6. This Agreement is intended to implement, is not intended to cancel, supersede or modify the terms of the RDA, or any agreement by and between Developer and the City. The duties and responsibilities of Escrowee are limited to this Agreement and the Escrowee shall not be subject to nor obligated to recognize any other agreement between the parties, provided, however, that these escrow instructions may be amended at any time by an instrument in writing signed by all of the undersigned.

7. Developer, Lender and the City warrant to and agree with Escrowee that, unless otherwise expressly set forth in this Agreement: (a) there is no security interest in the escrow funds or any part thereof; (b) no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the escrow funds or any part thereof; and (c) Escrowee shall have no responsibility at any time to ascertain whether or not any security interest exists in the escrow funds or any part thereof or to file any financing statement under the Uniform Commercial Code with respect to the escrow funds or any part thereof.

8. The fee for establishing the escrow is \$\_\_\_\_\_, payable by Developer at the time the escrow funds are deposited. An annual fee of \$\_\_\_\_\_ will be due from Developer for each year (or part thereof) the escrow account remains open (with any part of the deposit not disbursed) after \_\_\_\_\_, 20\_\_\_\_. Wire transfer or overnight delivery fees will

be assessed at the rate of \$\_\_\_\_\_ each. All fees relating to this escrow account shall be billable to and payable solely by Developer. Funds from the escrow account may not be used to pay such fees.

9. \_\_\_\_\_ may resign as Escrowee by giving ten (10) days prior written notice by certified mail, return receipt requested, sent to Developer, Lender and the City care of their designated representatives and at the addresses set forth below; and thereafter Escrowee shall deliver all remaining escrow funds to a successor Escrowee named by Developer and the City in a joint written and signed order. If Developer and the City do not agree on a successor Escrowee, then Escrowee shall deliver all remaining escrow funds to the City.

10. This Agreement shall terminate ten (10) days following the earlier of: (i) the date on which the Developer completes the Remediation Work in accordance with the terms of the RDA, as evidenced by the Developer's recording of the Final NFR Letter or (ii) \_\_\_\_\_, 20\_\_, as such date may be extended in writing by the City. All funds, including accumulated interest on the escrow funds, remaining in the escrow account on such termination date will belong to the City and the City will have the sole right to direct the escrow agent to disburse the funds in the escrow account to the City.

11. Any notice which the parties hereto are required or desire to give hereunder to any of the undersigned shall be in writing and may be given by mailing or delivering the same to the address of the undersigned by certified mail, return receipt requested, or overnight courier:

Developer:

Milhouse Development, LLC  
333 S. Wabash Avenue, Suite 2901  
Chicago, IL 60604  
Attn: \_\_\_\_\_

City:

City of Chicago  
Department of Planning & Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attn: Commissioner

With a copy to:

City of Chicago  
Department of Assets, Information and Services  
2 North LaSalle Street, Suite 200  
Chicago, Illinois 60602  
Attn: Commissioner

And

City of Chicago  
Department of Law

121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attn: Real Estate and Land Use Division

Lender:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Escrowee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE GROVE BRONZEVILLE, LLC

CITY OF CHICAGO

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

LENDER: \_\_\_\_\_

ESCROWEE: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**(sub) EXHIBIT 1 to Joint Order Escrow Agreement**

**LEGAL DESCRIPTION OF PROPERTY**

(Subject to final title commitment and survey)

LOTS 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 AND 17 IN BLOCKS 1 IN W.H. COLVIN'S SUBDIVISION OF LOTS 2, 3, 6, 7 AND 10 IN BLOCK 2 OF DREXEL AND SMITH'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PINs:           20-11-100-015  
                  20-11-100-016  
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                  20-11-100-020  
                  20-11-100-021

Commonly known as: 4727, 4735, 4739, 4743, 4755, 4757 and 4759 S. Cottage Grove Avenue, Chicago, IL 60615

**(sub) EXHIBIT 2 to Joint Order Escrow Agreement**

Disbursement Direction

I, \_\_\_\_\_, the \_\_\_\_\_ of The Grove Bronzeville, LLC, hereby direct \_\_\_\_\_, Escrowee, under its Escrow Number \_\_\_\_\_ to pay to Milhouse Development, LLC, the sum of \$ \_\_\_\_\_ from the cash Deposit held in said Escrow.

Dated: \_\_\_\_\_ The Grove Bronzeville, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

I, \_\_\_\_\_, the \_\_\_\_\_ [Commissioner / Managing Deputy Commissioner] of the City of Chicago Department of Planning and Development, hereby authorize the disbursement requested above approving its payment as so directed.

Dated: \_\_\_\_\_ City of Chicago, acting by and through its Department of Assets, Information and Services

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

I, \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ [Lender], hereby direct \_\_\_\_\_, Escrowee, under its Escrow Number \_\_\_\_\_ to pay to \_\_\_\_\_ the sum of \$ \_\_\_\_\_ from the cash Deposit held in said Escrow.

Dated: \_\_\_\_\_ [Lender]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**(sub) EXHIBIT 3 to Joint Order Escrow Agreement**

The undersigned has served as the general contractor or remediation contractor to The Grove Bronzeville, LLC ("Developer") and hereby certifies that the accompanying joint written order seeks funds to reimburse the Developer for "Approved Project Costs" incurred by Developer for the "Remediation Work," as defined in, and determined and governed by, the Agreement for the Purchase and Remediation of Land between Developer and the City of Chicago, dated \_\_\_\_\_, 20\_\_\_. The undersigned has obtained and has included with this certification lien waivers for all the work for which reimbursement is sought.

Dated: \_\_\_\_\_

\_\_\_\_\_  
[general contractor or remediation contractor]

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**(sub) EXHIBIT 4 to Joint Order Escrow Agreement**

**APPROVED PROJECT COSTS**

The funds in the Joint Order Escrow Account will be used solely to reimburse the Developer for environmental costs incurred by the Developer in the performance of City-approved Remediation Work, subject to the conditions set forth below:

1. Unless otherwise approved by the Department of Assets Information and Services (AIS), all project scopes related to cost reimbursement requests must be included in an AIS and Illinois Environmental Protection Agency (IEPA) approved Remedial Action Plan to meet Site Remediation Program (SRP), 35 Illinois Administrative Code (IAC) 740 or a Corrective Action Plan to meet Leaking Underground Storage Tank requirements (35 IAC 734). Additionally, the funds in the Joint Order Escrow Account will be used solely to reimburse the Developer for the following categories of environmental costs incurred by the Developer in the performance of City-approved Remediation Work:

- a. Excavation, transportation, and disposal to remove "source material" pursuant to 35 IAC 742.305.
- b. Excavation, transportation, and disposal for underground storage tank removal.
- c. Installation of vapor barriers.
- d. Installation of soil barriers to meet 35 IAC 742.1105, or otherwise IEPA approved modified soil barrier that may include the use of geotextiles.
- e. Excavation, transportation, and disposal of soil (or other damaged or unsuitable surface covers) to facilitate installation of an appropriate engineered barrier, unless otherwise approved by AIS.
- f. Incremental costs for any development-related soil waste ("construction spoils") that requires offsite disposal to a Subtitle D landfill as a result of onsite contamination.
  - i. The incremental cost is defined as the difference between tipping fees for clean construction or demolition debris fees (based on representative costs identified by AIS) and tipping fees for the Subtitle D landfill at which the contaminated construction spoils are disposed of, and
  - ii. "Construction spoils" shall be defined as any soil that requires removal in order to execute the City-approved construction plan for the project.
- g. Environmental consultant and or professional labor as it relates to environmental remedial actions.
- h. SRP and/or LUST fees.

2. Costs and fees that are exempt from reimbursement include:

- a. Markup fees.
- b. Excavation and transportation costs for "construction spoils" as defined in 2 (f).
- c. Construction costs to execute City-approved construction plan, including but not limited to building foundations (even if it serves as an engineered barrier), footers, utility trenches, installation of landscaped areas, recreational playgrounds, etc.
- d. Demolition of structures.

3. Invoices submitted to AIS for reimbursement must be provided with a cover sheet that itemizes each cost. All costs that are approved by AIS under Item (1) above must include the following details and backup at a minimum; AIS reserves the right to request additional backup information or details to support submitted expenses:
  - a. Summary table presenting total cost by task for which reimbursement is being sought. Exempt costs and fees as discussed in item 3 above should be clearly identified; and shall be subtracted from the total request for reimbursement.
  - b. Unit costs and quantity by project task for all expenses incurred on project including:
    - i. Hourly billing rates and hours for the prime environmental consultant and any environmental subcontractors.
    - ii. Tonnage and unit price per ton for disposal and backfill invoices.
    - iii. Other costs units of equipment or disposables.
  - c. Receipts of paid invoices of "actual incurred project costs" by task and in a chronological order. Exempt costs and fees (defined in item 3) should be clearly marked in these receipts.
  - d. Backup narrative clearly identifying page number in PDF backup documents that identifies requirements as defined in (iii).

Such environmental costs must be based on the Developer's actual costs, verified by actual receipts, with no markup by the Developer for these costs. Such receipts must include hourly billing rates for the prime environmental consultant and any environmental subcontractors hourly billing rates proposed by the Developer and approved by the City, which approved shall not be unreasonably withheld, conditioned, or delayed.



EXHIBIT D

FORM OF RECONVEYANCE DEED

(ATTACHED)

RECONVEYANCE -  
SPECIAL WARRANTY DEED

(The Above Space For Recorder's Use Only)

THE GRANTOR, 4735 South Cottage Grove, LLC, a Delaware limited liability company, whose offices are located at 333 S. Wabash Avenue, Suite 2901, Chicago, Illinois 60604, for and in consideration of the sum of ONE DOLLAR (\$1.00), the receipt of which is hereby acknowledged, conveys and warrants to the City of Chicago (the "City"), an Illinois municipal corporation in the County of Cook and State of Illinois, having its principal offices at 121 North LaSalle Street, Chicago, Illinois 60602, the real estate situated in the County of Cook, in the State of Illinois, and described in Exhibit One attached hereto (the "Property").

Grantor acknowledges that it has executed and delivered this deed simultaneously with, and as a condition precedent to the initial conveyance of the Property to Grantor, and that the deposit of this reconveyance Special Warranty Deed, and, if necessary, its subsequent recording, is a condition established pursuant to the terms and conditions of that certain Agreement for the Sale and Redevelopment of Land dated as of \_\_\_\_\_, 20\_\_, by and among the City, the Grantor and The Grove Bronzeville, LLC, a Delaware limited liability company, and is a remedial right granted under such agreement.

TO HAVE AND TO HOLD the Property with each and all of the rights, privileges, appurtenances and immunities thereto belonging or in any wise appertaining unto the City and unto the City's successors and assigns forever, Grantor hereby covenanting that the Property is free and clear of any encumbrance done or suffered by Grantor; and that Grantor will warrant and defend the title to the Property unto the City and unto the City's successors and assigns forever, against the lawful claims and demands of all persons claiming by, under or through Grantor.

And Grantor, for itself, and its successors, does covenant, promise and agree, to and with the City, its successors and assigns, that it has not done or suffered to be done, anything whereby the Property hereby granted is, or may be, in any manner encumbered or charged, except as herein recited; and that the Property, against all persons lawfully claiming, or to claim the same, by, through or under it, it WILL WARRANT AND DEFEND, subject to: See Exhibit Two attached hereto and made a part hereof.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

The Grove Bronzeville, LLC, a Delaware limited liability company

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

Name:

Its:

This instrument prepared by: \_\_\_\_\_

MAIL DEED TO:

City of Chicago  
Real Estate and Land Use Division  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attn: Deputy Corporation Counsel

THIS TRANSFER IS EXEMPT UNDER THE PROVISIONS OF THE REAL ESTATE TRANSFER TAX ACT, 35 ILCS 200/31-45(b) AND -45(e); AND SECTION 3-33-060B AND -060E OF THE MUNICIPAL CODE OF CHICAGO.

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF COOK            )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_, the \_\_\_\_\_ of The Grove Bronzeville, LLC, a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that s/he signed and delivered the foregoing instrument pursuant to authority given by said company, as her/his free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

Deed Exhibit One

Legal Description of Property

LOTS 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 AND 17 IN BLOCKS 1 IN W.H. COLVIN'S SUBDIVISION OF LOTS 2, 3, 6, 7 AND 10 IN BLOCK 2 OF DREXEL AND SMITH'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

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Commonly known as: 4727, 4735, 4739, 4743, 4755, 4757 and 4759 S. Cottage Grove Avenue, Chicago, IL 60615

Deed Exhibit Two  
Permitted Title Exceptions

General real estate taxes that accrue on and after the date on which this deed is recorded.

STATEMENT BY GRANTOR AND GRANTEE

The grantor or his agent affirms that, to the best of his knowledge, the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire title to real estate under the laws of the State of Illinois.

The Grove Bronzeville, LLC, a Delaware limited liability company

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

Name:

Its:

Date: \_\_\_\_\_, 20\_\_

Subscribed and sworn to before me this \_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Notary Public

The grantee or his agent affirms that the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

City of Chicago, by one of its attorneys:

Dated \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Senior Counsel

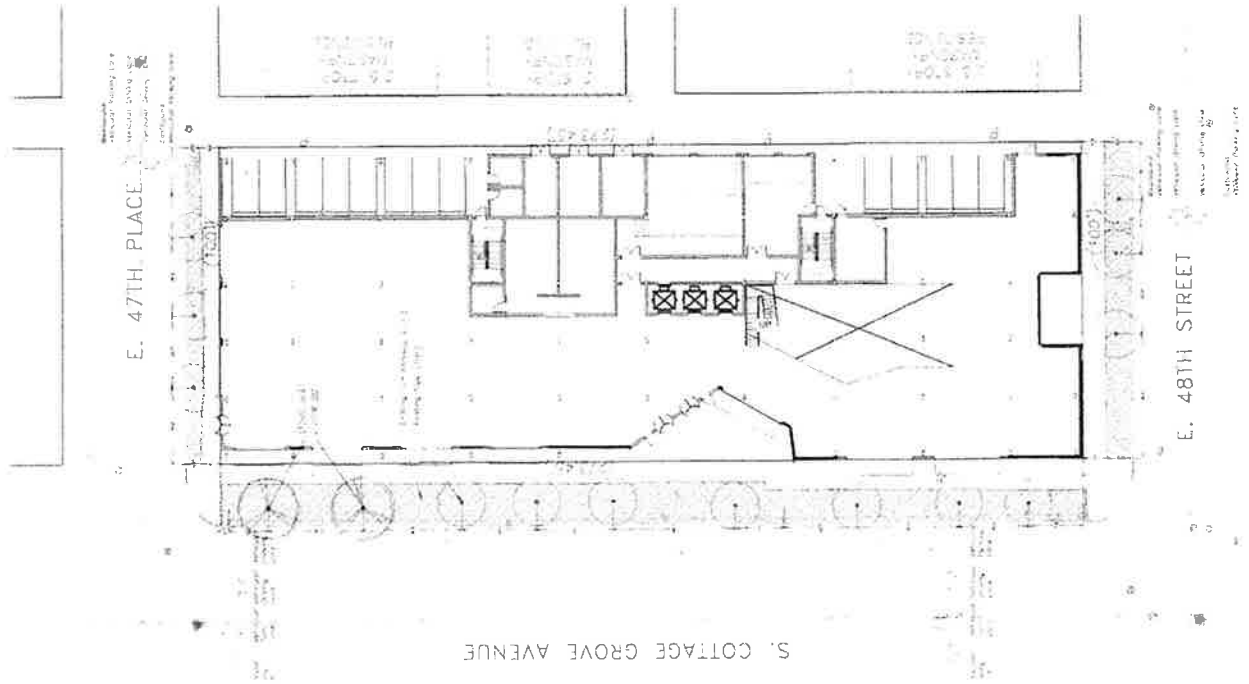
Subscribed and sworn to before me this \_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Notary Public

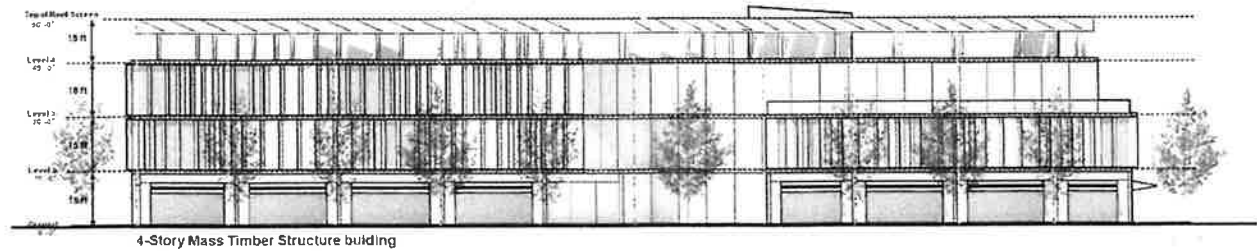
Note: Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses  
(Attach to deed or ABI to be recorded in Cook County, Illinois if exempt under provisions of Section 4 of the Illinois Real Estate Transfer Tax Act)

EXHIBIT E  
PRELIMINARY DRAWINGS

Site Plan



West Elevation



Rendering

