

COMMITTEE ON FINANCE.

AUTHORIZATION FOR EXECUTION OF INTERGOVERNMENTAL
AGREEMENT WITH CHICAGO TRANSIT AUTHORITY
CONCERNING TRANSFER OF TAX INCREMENT
FINANCING FUNDS FOR CONSTRUCTION OF
AIRPORT CHECK-IN FACILITY, STATION
FACILITY AND OFF-BLOCK
IMPROVEMENTS AT 108
NORTH STATE STREET
(BLOCK 37).

The Committee on Finance submitted the following report:

CHICAGO, May 11, 2005.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the entering into and executing of an intergovernmental agreement between the City of Chicago and the Chicago Transit Authority, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee, with Alderman Preckwinkle dissenting.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 47.

Nays -- Alderman Preckwinkle -- 1.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on February 7, 1997 and published at pages 38260 -- 38402 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, a certain redevelopment plan and project (the "Plan") for the Central Loop Redevelopment Project Area, being an expansion of an area formerly known as the North Loop Redevelopment Project Area (such expanded area, the "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"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on February 7, 1997 and published at pages 38400 and 38403 -- 38414 of the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "T.I.F. Ordinance") adopted by the City Council on February 7, 1997 and published at pages 38412 and 38415 -- 38425 of the *Journal* of such date, tax increment allocation 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 Plan; and

WHEREAS, On April 12, 1945, the legislature of the State of Illinois enacted the Metropolitan Transit Authority Act, 70 ILCS 3605/1, et seq., creating the Chicago Transit Authority ("C.T.A.") for the purpose of public ownership and operation of a transportation system in the metropolitan area of Cook County, and by ordinance passed by the City Council on April 23, 1945, published in the *Journal* for such date at pages 3370 -- 3414 (the "1945 Transit Ordinance"), the City granted to C.T.A. the power to operate, maintain and reconstruct transit systems for the local transportation of passengers within the City; and

WHEREAS, The City presently owns that certain real property located in the Redevelopment Area which is commonly known as "Block 37" or "108 North State Street, Chicago", excepting that certain portion of land on Block 37 improved by the Commonwealth Edison Substation and commonly known as the "ComEd Parcel",

with the remainder of the real property legally described on Exhibit A attached hereto and being referred to as the "City Parcel"; and

WHEREAS, Pursuant to an ordinance passed concurrently by the City Council, the City and Block 37 L.L.C., a Delaware limited liability company ("Block 37 L.L.C.") shall enter into that certain 108 North State Street Redevelopment Agreement (the "Block 37 Redevelopment Agreement") regarding the development of the City Parcel as a mixed-use development (the "Block 37 Development Project"); and

WHEREAS, As part of the Block 37 Development Project, C.T.A. will develop or cause to be developed by Block 37 L.L.C.'s affiliate, 108 North State Street II, L.L.C. or related entities ("Mills") as part of the Block 37 Development Project, the project, which is comprised of the Airport Check-in Facility, the Station Facility and the Off-Block Improvements (as such terms are defined in the Intergovernmental Agreement referred to below) (collectively, the "Project"); and

WHEREAS, C.T.A. intends that the Station Facility will be used by the public on an initial basis as a regular transit station on a C.T.A. rapid transit line until such time as the Station Facility will be capable of serving as a common downtown transit station for express rail transit service to and from Chicago O'Hare and Chicago Midway Airports; and

WHEREAS, The City and the C.T.A. shall enter into an Intergovernmental Agreement, substantially in the form attached hereto as Exhibit A to provide, inter alia, for the development and construction of the Project, which will be undertaken by C.T.A. and Mills on C.T.A.'s behalf in accordance with the terms and conditions of the Intergovernmental Agreement and the terms and provisions of that certain development agreement to be entered into by C.T.A. and 108 North State Street II, L.L.C. ("C.T.A.-Mills Development Agreement"), which in turn shall be consistent herewith and with the Block 37 Redevelopment Agreement; and

WHEREAS, In accordance with the terms and conditions of the Intergovernmental Agreement, Mills shall construct the Mills portion of the Project and C.T.A. shall construct the C.T.A. portion of the Project (as such terms are defined in the Intergovernmental Agreement); and

WHEREAS, The Project shall also include the underground track connection (located outside of the City Parcel in the Dearborn Street and State Street public rights-of-way) connecting Project improvements to the Dearborn Street and State Street C.T.A. subway tunnels, to be referred to as the "Off-Block Improvements", and, in connection therewith, C.T.A. shall seek and obtain from the City certain easement rights (the "City-C.T.A. Easement Rights"), as such term is further described in the Intergovernmental Agreement; and

WHEREAS, The overall development and construction costs for the Project are estimated to be Two Hundred Thirteen Million Three Hundred Forty-three Thousand Two Hundred Dollars (\$213,343,200), and of this amount, C.T.A. is to provide, or cause to be provided, funding in the amount of One Hundred Seventy-two Million Three Hundred Fifty-one Thousand Six Hundred Dollars (\$172,351,600) ("C.T.A. Financial Contribution") and Mills is to provide, in accordance with the terms and provisions of the C.T.A.-Mills Development Agreement, funds in the amount of Forty Million Nine Hundred Ninety-one Thousand Six Hundred Dollars (\$40,991,600) ("Mills Financial Contribution"); and

WHEREAS, The City and the C.T.A. acknowledge and agree that C.T.A. Financial Contribution includes as a component thereof certain tax increment financing funds to be provided by the City to C.T.A. pursuant to the Intergovernmental Agreement in an amount not to exceed Forty-two Million Three Hundred Fifty Thousand Dollars (\$42,350,000) ("City Funds"), which shall be utilized to pay for or reimburse the C.T.A. for certain T.I.F.-Funded Improvements (as such term is defined in the Intergovernmental Agreement); and

WHEREAS, The City and C.T.A. understand that, in order for the Station Facility to service the airports with express service, certain further improvements to existing C.T.A. transit lines and stations must be undertaken by C.T.A. separate and apart from the Project to be undertaken by and on behalf of C.T.A., as authorized and contemplated by the terms and conditions of the Intergovernmental Agreement; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver an Intergovernmental Agreement between the C.T.A. and the City, substantially in the form attached hereto as Exhibit B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Intergovernmental Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Intergovernmental Agreement.

SECTION 3. The Mayor or his proxy is authorized to execute, and the City Clerk is authorized to attest, an easement or easements granting to the C.T.A. the City-C.T.A. Easement Rights, which shall be in form and substance acceptable to the Corporation Counsel and consistent with the Intergovernmental Agreement and the Block 37 Redevelopment Agreement.

SECTION 4. The expenditure by the City of the City Funds, in an amount not to

exceed Forty-two Million Three Hundred Fifty Thousand Dollars (\$42,350,000), which shall be utilized to pay for or reimburse the C.T.A. for certain T.I.F.-Funded Improvements (as such term is defined in the Intergovernmental Agreement) regarding the development and construction of the Project, is hereby approved. The City Funds shall be paid from Bond Proceeds (as such term is defined in the Intergovernmental Agreement) or other legally available funds of the City.

SECTION 5. In accordance with the terms and conditions of the Intergovernmental Agreement, upon the issuance of the Certificate (as such term is defined in the Intergovernmental Agreement) by the City, for a term of thirty (30) years thereafter, C.T.A. shall operate the Station Facility. The undertaking of C.T.A. to operate the Station Facility entails C.T.A. commencing operation of ordinary (local) rail service between the Station Facility and the airports (i.e. the Station Facility shall be added as a regularly scheduled stop on a C.T.A. rail line between the Station Facility and the airports) in connection with the opening of the Retail Component as provided in the C.T.A.-Mills Development Agreement and thereafter continuously operating such rail service from the Station Facility for the aforesaid thirty (30) year operating term, subject to periodic interruption if and to the extent required for emergencies, maintenance and repairs in the ordinary course of business and force majeure as provided for in the Intergovernmental Agreement.

SECTION 6. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 7. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A" and "B" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Land Legal Description.

(Subject To Final Title And Survey)

At-Grade Legal Description:

A tract of land consisting of all lots, streets and alleys within Block 37 of Original

Town of Chicago in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, together with a strip of land lying east of and adjoining said Block 37 and west of the west line of North State Street as established by an act of the legislature of the State of Illinois, approved March 3, 1845 excepting therefrom that part thereof described as follows:

that part of the south half of the vacated West Court Place lying north of and adjoining the north line of Lot 5 in Block 37 in the Original Town of Chicago,

and

that part of Lot 5 in said Block 37 in the Original Town of Chicago, lying north of a line described as follows:

beginning at a point on the west line of said Lot 5 which is 55 feet, 10 inches south from the northwest corner of said Lot 5 and running; thence east along a straight line to a point on the east line of said Lot 5 which is 54 feet, 6 inches south from the northeast corner of said Lot 5, excepting from said part of Lot 5 that part thereof which is described as follows:

commencing at a point on the west line of said Lot 5, which is 55 feet, 10 inches south of the northwest corner of said lot; thence east for a distance of 54 feet along a straight line, which if extended, would intersect the east line of said Lot 5 at a point 54 feet, 6 inches south of the northeast corner of said lot; thence north, 4 feet, 8 inches; thence west, 54 feet to the west line of said lot; thence south, 4 feet, 8 inches to the place of beginning in Cook County, Illinois,

containing 119,558 square feet (2.7447 acres) of land, more or less.

Above- And Below-Grade Legal Description:

P1 (Below Grade On West Randolph Street):

That part of West Randolph Street and that part of North State Street and that part of North Dearborn Street, all taken as a tract in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +14.50 Chicago City Datum and lying above a horizontal plane having an elevation of -85.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the northwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence south 89

degrees, 08 minutes, 58 seconds east along the north line of Block 37 aforesaid and the easterly extension thereof, 324.63 feet to the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south 89 degrees, 08 minutes, 58 seconds east along said easterly extension, 16.00 feet to a point on a line drawn 16.00 feet east of and parallel with the west line of North State Street aforesaid; thence north 00 degrees, 00 minutes, 00 seconds east along said parallel line, 16.31 feet to a point on a line drawn 16.31 feet north of and parallel with the north line of said Block 37; thence north 89 degrees, 08 minutes, 58 seconds west along the last mentioned parallel line, 356.92 feet to a point on a line drawn 16.29 feet west of and parallel with the west line of said Block 37; thence south 00 degrees, 01 minute, 10 seconds west along the last mentioned parallel line, 16.31 feet to a point on the westerly extension of the north line of said Block 37; thence south 89 degrees, 08 minutes, 58 seconds east along said westerly extension, 16.29 feet to the point of beginning, in Cook County, Illinois,

containing 5,821 square feet, more or less.

P2 (Below Grade On North State Street):

That part of North State Street in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +14.50 Chicago City Datum and lying above a horizontal plane having an elevation of -85.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the point of intersection of the easterly extension of the north line of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9 with the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south 89 degrees, 08 minutes, 58 seconds east along said easterly extension, 16.00 feet to a point on a line drawn 16.00 feet east of and parallel with the west line of North State Street aforesaid; thence south 00 degrees, 00 minutes, 00 seconds west along said parallel line, 384.07 feet to the easterly extension of the south line of said Block 37; thence north 88 degrees, 54 minutes, 02 seconds west along the last mentioned easterly extension, 16.00 feet to the west line of North State Street aforesaid; thence north 00 degrees, 00 minutes, 00 seconds east along the west line of State North Street aforesaid, 384.00 feet to the point of beginning, in Cook County, Illinois,

containing 6,145 square feet, more or less.

P3 (Below Grade On West Washington Street):

That part of West Washington Street and that part of North State Street and that part of North Dearborn Street, all taken as a tract in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +14.50 Chicago City Datum and lying above a horizontal plane having an elevation of -85.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the southwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence south 88 degrees, 54 minutes, 02 seconds east along the south line of Block 37 aforesaid and the easterly extension thereof, 324.79 feet to the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south 88 degrees, 54 minutes, 02 seconds east, 16.00 feet to a point on a line drawn 16.00 feet east of and parallel with the west line of North State Street aforesaid; thence south 00 degrees, 00 minutes, 00 seconds west along said parallel line, 16.00 feet to a point on a line drawn 16.00 feet south of and parallel with the south line of said Block 37; thence north 88 degrees, 54 minutes, 02 seconds west along the last mentioned parallel line, 357.09 feet to a point on a line drawn 16.29 feet west of and parallel with the west line of said Block 37; thence north 00 degrees, 01 minutes, 10 seconds east along the last mentioned parallel line, 16.00 feet to a point on the westerly extension of the south line of said Block 37; thence south 88 degrees, 54 minutes, 02 seconds east along said westerly extension, 16.29 feet to the point of beginning, in Cook County, Illinois,

containing 5,173 square feet, more or less.

P4 (Below Grade On North Dearborn Street South Of ComEd Substation Property):

That part of North Dearborn Street in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +14.50 Chicago City Datum and lying above a horizontal plane having an elevation of -85.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the southwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence north 00 degrees, 01 minutes, 10 seconds east along the west line of Block 37 aforesaid, 131.13 feet to a point which is 51.16 feet south of the northwest corner of Lot 5 in Block 37,

aforesaid, as measured along the west line of said Lot 5; thence north 89 degrees, 58 minutes, 46 seconds west, 16.29 feet to a line drawn 16.29 feet west of and parallel with the west line of said Block 37; thence south 00 degrees, 01 minutes, 10 seconds west along said parallel line, 130.82 feet to the westerly extension of the south line of said Block 37; thence south 88 degrees, 54 minutes, 02 seconds east along said westerly extension, 16.29 feet to the point of beginning, in Cook County, Illinois,

containing 2,134 square feet, more or less.

P5 (Below Grade On North Dearborn Street North Of ComEd Substation Property):

That part of North Dearborn Street in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +14.50 Chicago City Datum and lying above a horizontal plane having an elevation of -85.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the northwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence south 00 degrees, 01 minute, 10 seconds west along the west line of Block 37 aforesaid, 200.29 feet to the northwest corner of Lot 5 in Block 37 aforesaid; thence north 89 degrees, 01 minute, 30 seconds west, 16.29 feet to a line drawn 16.29 feet west of and parallel with the west line of said Block 37; thence north 00 degrees, 01 minute, 10 seconds east along said parallel line, 200.26 feet to the westerly extension of the north line of said Block 37; thence south 89 degrees, 08 minutes, 58 seconds east along said westerly extension, 16.29 feet to the point of beginning, in Cook County, Illinois,

containing 3,262 square feet, more or less.

P6 (Lower Level Above Grade [Approximately 0 To 15 Feet] On West Randolph Street):

that part of West Randolph Street and that part of North State Street, all taken as a tract in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +29.50 Chicago City Datum and lying above a horizontal plane having an elevation of +14.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the northwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence south 89 degrees, 08 minutes, 58 seconds east along the north line of Block 37 aforesaid and the easterly extension thereof, 324.63 feet to the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south 89 degrees, 08 minutes, 58 seconds east, along said easterly extension, 1.50 feet to a point on a line drawn 1.50 feet east of and parallel with the west line of North State Street aforesaid; thence north 00 degrees, 00 minutes, 00 seconds east along said parallel line, 1.50 feet to a point on a line drawn 1.50 feet north of and parallel with the north line of said Block 37; thence north 89 degrees, 08 minutes, 58 seconds west along the last mentioned parallel line, 326.13 feet to the northerly extension of the west line of said Block 37; thence south 00 degrees, 01 minute, 10 seconds west, along said northerly extension, 1.50 feet to the point of beginning, in Cook County, Illinois,

containing 489 square feet, more or less.

P7 (Lower Level Above Grade [Approximately 0 To 15 feet] On North State Street):

That part of North State Street in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +29.50 Chicago City Datum and lying above a horizontal plane having an elevation of +14.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the point of intersection of the easterly extension of the north line of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9 with the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south 89 degrees, 08 minutes, 58 seconds east along said easterly extension, 1.50 feet to a point on a line drawn 1.50 feet east of and parallel with the west line of North State Street aforesaid; thence south 00 degrees, 00 minutes, 00 seconds west along said parallel line, 384.00 feet to the easterly extension of the south line of said Block 37; thence north 88 degrees, 54 minutes, 02 seconds west along the last mentioned easterly extension, 1.50 feet to the west line of North State Street aforesaid; thence north 00 degrees, 00 minutes, 00 seconds east along the west line of North State Street aforesaid 384.00 feet to the point of beginning, in Cook County, Illinois,

containing 576 square feet, more or feet.

P8 (Upper Level Above Grade [Approximately Above 15 Feet] On West Randolph Street):

That part of West Randolph Street and that part of North State Street, all taken as a tract in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +689.50 Chicago City Datum and lying above a horizontal plane having an elevation of +29.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the northwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence south 89 degrees, 08 minutes, 58 seconds east along the north line of Block 37 aforesaid and the easterly extension thereof, 324.63 feet to the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south 89 degrees, 08 minutes, 58 seconds east along said easterly extension, 5.00 feet to a point on a line drawn 5.00 feet east of and parallel with the west line of North State Street aforesaid; thence north 00 degrees, 00 minutes, 00 seconds east along said parallel line, 5.00 feet to a point on a line drawn 5.00 feet north of and parallel with the north line of said Block 37; thence north 89 degrees, 08 minutes, 58 seconds west along the last mentioned parallel line, 329.63 feet to the northerly extension of the west line of said Block 37; thence south 00 degrees, 01 minute, 10 seconds west along said northerly extension, 5.00 feet to the point of beginning, in Cook County, Illinois,

containing 1,648 square feet, more or less.

P9 (Upper Level Above Grade [Above Approximately 15 Feet] On North State Street):

That part of North State Street in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, lying below a horizontal plane having an elevation of +689.50 Chicago City Datum and lying above a horizontal plane having an elevation of +29.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the point of intersection of the easterly extension of the north line of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9 with the west line of North State Street as established by an act of the Legislature of the State of Illinois, approved March 3, 1845; thence south

89 degrees, 08 minutes, 58 seconds east along said easterly extension, 5.00 feet to a point on a line drawn 5.00 feet east of and parallel with the west line of North State Street aforesaid; thence south 00 degrees, 00 minutes, 00 seconds west along said parallel line, 384.02 feet to the easterly extension of the south line of said Block 37; thence north 88 degrees, 54 minutes, 02 seconds west along the last mentioned easterly extension, 5.00 feet to the west line of North State Street aforesaid; thence north 00 degrees, 00 minutes, 00 seconds east along the west line of North State Street aforesaid, 384.00 feet to the point of beginning, in Cook County, Illinois,

containing 1,920 square feet, more or less.

P10 (Upper Level Above Grade [Above Approximately 15 Feet] On West Washington Street):

That part of West Washington Street and that part of North State Street, all taken as a tract in the east part of the southeast quarter of Section 9, Township 39 North, Range 14 East of the Third principal Meridian, lying below a horizontal plane having an elevation of +689.50 Chicago City Datum and lying above a horizontal plane having an elevation of +29.50 Chicago City Datum and lying within its horizontal boundaries project vertically and described as follows:

beginning at the southwest corner of Block 37 of Original Town of Chicago in the east part of the southeast quarter of said Section 9; thence south 88 degrees, 54 minutes, 02 seconds east along the south line of Block 37 aforesaid and the easterly extension thereof, 324.79 feet to the west line of North State Street as established by an act of the legislature of the State of Illinois, approved March 3, 1845; thence south 88 degrees, 54 minutes, 02 seconds east, 5.00 feet to a point on a line drawn 5.00 feet east of and parallel with the west line of North State Street aforesaid; thence south 00 degrees, 00 minutes, 00 seconds west, along said parallel line, 4.00 feet to a point on a line drawn 4.00 feet south of and parallel with the south line of said Block 37; thence north 88 degrees, 54 minutes, 02 seconds west along the last mentioned parallel line, 329.79 feet to the southerly extension of the west line of said Block 37; thence north 00 degrees, 01 minute, 10 seconds east along said southerly extension, 4.00 feet to the point of beginning, in Cook County, Illinois,

containing 1,319 square feet, more or less.

Exhibit "B".
(To Ordinance)

Intergovernmental Agreement

Between

The City Of Chicago

And

The Chicago Transit Authority.

This Intergovernmental Agreement ("Agreement") is made and entered into this ____ day of _____, 2005 by and between the City of Chicago (the "City"), an Illinois municipal corporation, by and through its Department of Planning and Development ("Department"), and the Chicago Transit Authority ("CTA"), a political subdivision, a body politic and a municipal corporation of the State of Illinois.

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time ("Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects. On April 12, 1945, the legislature of the State of Illinois enacted the Metropolitan Transit Authority Act, 70 ILCS 3605/1 et seq., creating the CTA for the purpose of public ownership and operation of a transportation system in the metropolitan area of Cook County.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City ("City Council") adopted the following ordinances on February 7, 1997: (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the Expanded North Loop Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Expanded North Loop Redevelopment Project Area as a Tax Increment Financing District"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Expanded North Loop Redevelopment Project Area" ("TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above ("Redevelopment Area") is legally described in Exhibit A hereto. As provided in the TIF Ordinances, the Redevelopment Area following expansion of the North Loop Redevelopment Project Area is now known as the Central Loop Redevelopment Project Area. By ordinance passed by the City Council on April 23, 1945, published in the Journal of Proceedings of the City Council for such date at pages 3370-3414 (the "1945 Transit Ordinance"), the City granted to CTA the power to operate, maintain and reconstruct transit systems for the local transportation of passengers within the City.

D. The Project: The City presently owns that certain City block located in the Redevelopment Area which is commonly known as "Block 37" or "108 North State Street, Chicago" (the "Block"), excepting that certain portion of the Block improved by the Commonwealth Edison Substation and commonly known as the "ComEd Parcel". The City-owned portion of the Block (the "City Parcel") is legally described on Exhibit A-1 attached hereto. The City and Block 37 LLC, a Delaware limited liability company, have entered into that certain Block 37 Redevelopment Agreement dated as of _____, 2005 (the "Block 37 Redevelopment Agreement") regarding the development of the City Parcel as a mixed-use development comprised of retail, office and related uses ("Block 37 Development Project"). Block 37 LLC is owned and controlled by The Mills Limited Partnership, a Delaware limited partnership ("TMLP"), whose General Partner is The Mills Corporation, a publicly traded real estate investment trust incorporated in Delaware ("TMC"). Block 37 LLC and TMLP are hereinafter referred to collectively as "Mills," provided, however, that such usage shall not be deemed to assign responsibilities to Block 37 LLC or TMLP that are not assigned to such individual parties under this Agreement or the Block 37 Redevelopment Agreement. As part of the Block 37 Development Project, CTA will develop or cause to be developed by Mills as part of the Block 37 Development Project, the project, which is comprised of the Airport Check-In Facility (as hereinafter defined), the Station Facility (as hereinafter defined) and the Off-Block Improvements (as hereinafter defined) (collectively, the "Project"). CTA intends that the Station Facility will be used by the public on an initial basis as a regular transit station on a CTA rapid transit line until such time as the Station Facility will be capable of serving as a common downtown transit station for express rail transit service to and from Chicago O'Hare and Chicago Midway Airports.

The development and construction of the Project will be undertaken by CTA and Mills on CTA's behalf in accordance with the terms and conditions of this Agreement and the terms and provisions of that certain development agreement to be entered into by CTA and 108 North State Street LLC, a Delaware limited liability company ("108 LLC") ("CTA-Mills Development

Agreement”), which in turn shall be consistent herewith and with the Block 37 Redevelopment Agreement. Mills shall construct the Mills Portion of the Project (as hereinafter defined) and CTA shall construct the CTA Portion of the Project (as hereinafter defined).

In order for the Station Facility to service the airports with express service, the parties understand that certain further improvements to existing CTA transit lines and stations must be undertaken by CTA separate and apart from the Project to be undertaken by and on behalf of CTA as authorized and contemplated by the terms and conditions of this Agreement. Notwithstanding that the express rail service to the airports will not be operational initially, CTA agrees, consistent with its undertakings in the CTA-Mills Development Agreement, that it will seek and use all reasonable efforts to obtain the authorization, funding, purchase and construction of all required components and equipment for such express rail service and all authorizations and approvals for the completion of construction, opening and operation of the Airport Check-In Facility (hereinafter defined) as soon as practical, but CTA’s liability to the City for the failure to pursue and use all reasonable efforts to obtain the authorization, funding and construction of, and, in accordance with the terms of this Agreement, ultimately provide such express rail service, shall be governed by the provisions of Sections 3.01 and 15.02.

The Project will include the construction of a new four-level, below-grade facility on Block 37, to be integrated into the Block 37 Development Project. CTA customers will enter the Block 37 Development Project at street level and utilize elevators/escalators to one level below grade (“Lower Level 1” or “LL-1”), where the entrance to the CTA station facility is to be located. Alternatively, CTA customers may access the CTA station facility via the below grade access system (“Pedway”) to be re-configured and developed by Mills as a part of the Block 37 Development Project as provided for in the Block 37 Redevelopment Agreement. On LL-1, it is intended that the CTA station facility include, without limitation, a ticketing/check-in area for the public to purchase CTA fare media and, if and when able to be implemented, to make air-travel-related transactions in retail space consisting of approximately 26,600 square feet, and other related improvements (collectively, the “Airport Check-In Facility”). The Airport Check-In Facility shall be located on and within those portions of LL-1 that shall constitute, and be referred to as, the “Airport Check-In Parcel”. In addition, the loading and service area for the Project and the Block 37 Development Project shall also be located on LL-1. CTA further understands and agrees that it shall obtain the prior approval of the Department, which will not be unreasonably withheld or delayed, prior to leasing any space in the Airport Check-In Facility for non-transportation related retail or commercial purposes, except to the extent in compliance with tenant uses authorized and permitted in favor of Mills pursuant to the CTA-Mills Development Agreement or the Block 37 Redevelopment Agreement.

The Project shall also include, on “Lower Level 3.5” (“LL-3.5”) train boarding platforms, the underground track and related facilities (collectively, the “Station Facility”). The Station Facility shall be constructed and located on and within those portions of LL-3.5 and other subsurface areas for the transit tunnel that shall constitute, and be referred to as, the “Station Parcel”. CTA customers shall have access through Lower Level 2 and Lower Level 3 (“LL-2 and 3”) to the Station Facility via elevators, escalators and stairs from the Airport Check-In Facility located on LL-1.

Furthermore, the Project shall also include the underground track connection (located outside of the City Parcel in the Dearborn Street and State Street public rights of way) connecting the LL-3.5 improvements to the Dearborn Street and State Street CTA subway tunnels, to be referred to as the "Off-Block Improvements"; and, in connection therewith, CTA shall seek and obtain from the City the City-CTA Easement Rights as defined and more particularly provided in Paragraph E below of the Recitals.

A more detailed description of the Airport Check-In Facility, the Station Facility and the Off-Block Improvements is provided on Exhibit B attached hereto. Various schematic renderings, diagrams and legal descriptions depicting the Airport Check-In Parcel, the Station Parcel and those portions of LL-2 and 3 upon which the Project shall be constructed and operated, and a legal description of that portion of the public way of which the City shall grant an easement or other reasonably acceptable rights to the CTA as provided for in Paragraph E (for the Off-Block Improvements) are contained on Exhibit C; provided, however, that it is understood and acknowledged that actual acceptable legal descriptions for the Airport Check-In Parcel and the Station Parcel cannot be determined until further development of the Plans and Specifications for the Project, but in any event shall be provided, agreed to and attached to this Agreement prior to or in connection with the Initial Closing. For purposes of this Agreement, the Airport Check-In Parcel, the Station Parcel, that pertinent portion of LL-2 and 3, and the various other easements granted by Mills or the City, as the case may be, upon which the Project shall be constructed and operated, shall collectively be referred to as the "Property".

In completing the Project, in accordance with the undertakings set forth in the CTA-Mills Development Agreement, Mills shall be responsible for the following: the subsurface, below grade improvements on the Property as set forth under the category "Subsurface Block 37 Facilities" on the Project Budget, and the interior improvements to be constructed for the Airport Check-In Facility and the finishes and other improvements located therein (other than any equipment or furnishings that would be installed or equipped by the airlines or other parties as part of the Airport Check-In Facility including, without limitation, baggage facility and baggage conveyor systems, ticket counters, fare array or computer reservation systems and additional signage and finishes) (collectively, the "Mills Portion of the Project"), and CTA shall be responsible for construction of the rail improvements relating to the Project, including, without limitation, the improvements set forth under the category "Connection Tunnels & Civil Work" as set forth on the Project Budget, and fare collection equipment, power equipment, rail tracks, ties, switches and signals (collectively, the "CTA Portion of the Project").

E. Conveyance of Property Rights: The parties understand that the entire City Parcel will be conveyed by the City to Block 37 LLC in accordance with the terms and provisions of the Block 37 Redevelopment Agreement, except to the extent that the City is directed by Mills to convey that portion of the City Parcel comprising the Property to 108 LLC, an Affiliate of TMLP, pursuant to the provisions of the Block 37 Redevelopment Agreement. Thereafter, Mills and/or 108 LLC, as the case may be, and CTA shall cause its respective Portion of the Project to be constructed (with Block 37 LLC or 108 LLC, as the case may be, except as otherwise provided in the CTA-Mills Development Agreement, during the period of construction of the Project, retaining fee ownership of the Property), all as further provided for in the CTA-

Mills Development Agreement. Furthermore, the City, in accordance with the terms and conditions of this Agreement and consistent with the 1945 Transit Ordinance shall grant to the CTA certain permanent easement or other reasonably acceptable rights within City rights of way ("City-CTA Easement Rights"), for so long as there exists the intended use of rapid transit, facilitating the development and construction of the "Off-Block Improvements" and the operation of the Project. Once the Project is completed, unless conveyance thereof has occurred earlier, the CTA shall acquire the Property from Block 37 LLC or 108 LLC, as the case may be, as further provided for in Section 5.05.

F. Financing the Construction of the Project: The overall development and construction costs for the Project, as described on a line item basis in the preliminary budget for the Project ("Project Budget") prepared by the CTA and Mills in accordance with the CTA-Mills Development Agreement and approved by the City, and attached hereto as Exhibit D, are estimated to be Two Hundred Thirteen Million, Three Hundred Forty Three Thousand Two Hundred Dollars (\$213,343,200). Of this amount, CTA is to provide, or cause to be provided, funding in the amount of One Hundred Seventy Two Million Three Hundred Fifty One Thousand Six Hundred Dollars (\$172,351,600) ("CTA Financial Contribution") and Mills is to provide, in accordance with the terms and provisions of the CTA-Mills Development Agreement, funds in the amount of Forty Million Nine Hundred Ninety One Thousand Six Hundred Dollars (\$40,991,600) ("Mills Financial Contribution"). The CTA Financial Contribution includes as a component thereof certain funds to be provided by the City to CTA pursuant to this Agreement in an amount not to exceed Forty Two Million Three Hundred Fifty Thousand Dollars (\$42,350,000) ("City Funds"), which shall be utilized to pay for or reimburse the CTA for certain TIF-Funded Improvements (as hereinafter defined) referred to in the last paragraph of part I of Section 4.01 and as otherwise set forth on Exhibit E. While the Project Budget may be subject to adjustment as between Mills and CTA in accordance with the Mills-CTA Development Agreement, and cost overruns may occur, there shall be no increase in the amount of City Funds as a result thereof. The completion of the Project would not reasonably be anticipated without the provision of City Funds as contemplated in this Agreement.

G. Construction Schedule for the Project: In furtherance of the Project, CTA and 108 LLC are required under the CTA-Mills Development Agreement to comply with their respective design, construction and other obligations within the time periods set forth in accordance with that certain preliminary schedule ("Schedule") agreed to by CTA and Mills pursuant to the CTA-Mills Development Agreement, and approved by the City. The Schedule is attached hereto as Exhibit F, and shall be revised in accordance with the terms and conditions of this Agreement and the CTA-Mills Development Agreement. Based on the Schedule, construction of the Project is expected to commence on or about December 1, 2005, and, subject to force majeure delays as provided for in Section 18.17, is expected to be completed for opening of non-express rail service by the date which is within thirty (30) days after the date projected for the opening of Mills' Retail Component (as hereinafter defined) of the Block 37 Development Project, which non-express opening date is expected to be on or about March 31, 2008.

H. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Central Loop Tax Increment Financing Redevelopment Project Area and Plan ("Redevelopment Plan"), as amended from time to time.

I. City Financing: The City expects to use as its source of City Funds hereunder, in the amounts set forth in Section 4.03, a portion of its City of Chicago General Obligation Bonds (Central Loop Redevelopment Project) Series 2003A or Series 2003B (Taxable) (collectively, the "Bonds" and the "Bond Proceeds"), or other legally available funds of the City, to pay for or reimburse the CTA for the costs of TIF-Funded Improvements pursuant to the terms and conditions 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 hereto agree as follows:

SECTION 1. RECITALS

The foregoing Recitals are hereby incorporated into this Agreement by reference and made a contractual part hereof.

SECTION 2. DEFINITIONS

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

"Affiliate" shall mean all partnerships, corporations, limited liability companies or other entities controlling, controlled by or under common control with Block 37 LLC or TMLP, as the case may be.

"Airport Check-in Facility" shall have the meaning set forth in Recital D hereof.

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

"Block 37 Redevelopment Agreement" shall have the meaning ascribed to it in Paragraph D of the Recitals.

"Block 37 Redevelopment Project" shall have the meaning ascribed to it in Paragraph D of the Recitals.

"Certificate" shall mean the Certificate issued by the City with regard to the completion of all of the improvements which collectively constitute the Project as described in Section 7.01 hereof.

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

"City Funds" shall mean the funds provided by the City to facilitate the Project as described in the Recitals and in Section 4.03(b) as the same may be reduced as described in Section 4.03.

"City Parcel" shall have the meaning set forth in Recital D hereof.

"Commissioner" shall mean the Commissioner of the Department.

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

"CTA Financial Contribution" shall mean funds of the CTA (other than funds derived from Mills Financial Contribution) available for the Project, in the amount described in Recital F and further set forth in Sections 4.01 and 4.02 hereof, which amount may be increased pursuant to Section 4.06.

"CTA General Contractor" shall mean the General Contractor selected by CTA in accordance with its procurement requirements, and to be hired by CTA with regard to its undertaking to construct the CTA Portion of the Project, provided that such General Contractor is not in violation of ordinances, rules, regulations and executive orders of the City.

"CTA-Mills Closing" shall have the meaning set forth in Section 5.14 hereof.

"CTA-Mills Development Agreement" shall have the meaning ascribed to it in Paragraph D of the Recitals.

"CTA Portion of the Project" shall have the meaning set forth in Recital D hereof.

"DBE(s)" shall mean disadvantaged business enterprises certified as such by CTA pursuant to the U.S. Department of Transportation regulations considering that federal funds will be used by CTA for the Project as part of the CTA Financial Contribution.

"DBE Budget" shall mean the budget attached hereto as Exhibit L, as described in Section 10.04, representing that portion of the Project Budget amount that forms the basis for contract participation by DBEs.

"Department" shall mean the Department of Planning and Development of the City of Chicago.

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called

"Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

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

"Escrow Agreement" shall mean the construction escrow by and among the CTA, the City, Block 37, LLC, 108 LLC, any Lender and the Title Company, or its affiliate, relating to the funding of the costs of construction of the Project, substantially in the form of Exhibit G attached hereto.

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

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

"Initial Closing" shall have the meaning set forth in Section 5.05 hereof.

"Initial Closing Date" shall mean the date of Initial Closing as described in Section 5.05 hereof.

"Lender" shall mean, prior to the issuance of the Certificate, any lender, its successors and assigns, which is providing the construction financing for the Project as part of the Mills Financial Contribution and/or CTA Financial Contribution. After the issuance of the Certificate, the term "Lender" shall also include a financial institution, insurance company or other lender providing replacement Lender Financing, as defined below.

"Lender Financing" shall mean (a) funds committed to Mills or CTA by its lender and available to pay for costs of the development and construction of the Project, as part of the Mills or CTA funding obligation set forth in Section 4.01 hereof, and (b) any replacement permanent financing for the Project, provided that until the City issues its Certificate: (i) the principal amount of such replacement permanent financing does not in aggregate exceed an amount equal to the difference between the actual Project costs as of such refinancing date and the maximum City Funds, and, (ii) the City grants its prior written consent to such replacement lender, which consent shall not be unreasonably withheld or delayed.

"Mills Financial Contribution" shall mean funds of Mills ready and available for the Project (and made available to Mills as Lender Financing as that term is defined in the CTA-Mills Development Agreement) in the amount described in Recital F and further set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06.

"Mills Construction Manager" shall mean the Construction Manager acceptable to the City and CTA, hired by Mills with regard to its undertaking to construct the Mills Portion of the Project, it being acknowledged by the City that W.E. O'Neil Construction Company, if selected to serve in such capacity, is acceptable.

"Mills Portion of the Project" shall have the meaning set forth in Recital D hereof.

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

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

"108 LLC" shall have the meaning set forth in Recital D hereof.

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

"Performance Covenants" shall mean the covenants running with and affecting the Property set forth in Section 8.02 of this Agreement.

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

"Permitted Transfers" shall have the meaning set forth in Section 16(b) hereof.

"Planned Development" shall mean that certain Planned Development No. 489 approved by the City Council applicable to the City Parcel, as the same has been or may be amended.

"Plans and Specifications" shall mean final construction documents containing working drawings and specifications for the various phases of the Project, prepared and submitted for approval and permit from time to time in accordance with the Schedule, including, without limitation, construction drawings, signage plans and accessibility plans, as the same may from time to time be amended.

"Project" shall have the meaning ascribed to it in Paragraph D of the Recitals.

"Project Budget" shall mean the budget attached hereto as Exhibit D, showing the total cost of the Project by line item, furnished by CTA to the Department in accordance with Section 3.03 hereof, updated from time to time as provided for in this Agreement. The Project Budget covers the costs of the CTA Portion of the Project and the Mills Portion of the Project.

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

"Retail Component" shall mean the portions of the Block 37 Development Project to be devoted generally to retail, restaurant and entertainment purposes in accordance with the Block 37 Redevelopment Agreement.

"Schedule" shall have the meaning set forth in Recital G hereof.

"Scope Drawings" shall mean, respectively, the preliminary schematic drawings and construction documents describing the proposed construction work and including drawings and specifications for the Project for phases of the Project that are the basis for the Plans and Specifications prepared and submitted for approval and permit from time to time in accordance with the Schedule.

"Station Facility" shall have the meaning set forth in Recital D hereof.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property to be conveyed to CTA at the CTA-Mills Closing required to be provided to CTA pursuant to the CTA-Mills Development Agreement dated within 45 days prior to the Initial Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or Lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the execution date of the Agreement and ending on the date on which the Redevelopment Area is no longer in effect, which shall not be later than December 31, 2010, excepting, however, the provision contained in Section 8.02.

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

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean the owner's title insurance policy required to be provided to CTA pursuant to the CTA-Mills Development Agreement to insure CTA's title in the Property conveyed by Mills (or its designee 108 LLC) to CTA at the CTA-Mills Closing in the most

recent revised ALTA or equivalent form, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company to protect covenants running with the land provided for in this Agreement.

"TMC" shall have the meaning set forth in Recital D hereof.

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

SECTION 3. THE PROJECT

3.01 The Project and Subsequent Undertaking. The Project is to be constructed in various phases or components and, in furtherance thereof, CTA and 108 LLC have agreed under the CTA-Mills Development agreement to comply with their respective design, construction and other obligations within the time periods set forth in the Schedule. Based on the Schedule, construction of the Project (to be built in accordance with the Plans and Specifications as developed for various phases of the Project consistent with the Schedule) is expected to commence on or about December 1, 2005 and, subject to force majeure delays as provided for in Section 18.17, be completed by the date which is within thirty (30) days after the date projected for the opening of the Retail Component, which date is expected to be on or about March 31, 2008. The Schedule may be updated from time to time without City approval if changes thereto do not materially affect the date for opening the Retail Component or the CTA rail service and the City is notified of the changes. The parties understand that certain further improvements to existing CTA transit lines and stations must be undertaken by CTA separate and apart from the Project in order to ultimately service the airports with limited stop or non-stop express rail service. CTA agrees, consistent with its undertakings in the CTA-Mills Development Agreement, that it will seek and use all reasonable efforts to obtain the authorization, funding, purchase and construction of all required components and equipment for such express rail service and all authorizations and approvals for the opening and operation of the Airport Check-In Facility as soon as practical. Based on timelines presented by CTA and reasonably acceptable to the City, CTA shall advise the City from time to time regarding the status and progress of (a) the approvals, licenses and permits required for the express rail service; (b) the capital improvements and purchases made by CTA relating to the express rail service including, without limitation, the purchase of the railcars for the express rail service; and (c) the design and offsite construction work and improvements to the CTA transit lines that is necessary for the express rail service to become operational. CTA shall promptly respond to requests for information by the City with respect to (a), (b) and (c) above, provided that such requests are made no more often than quarterly. CTA shall deliver to the City copies of any documents delivered to Mills or 108 LLC under the CTA-Mills Development Agreement with respect to the timing and commencement of the airport express rail service. CTA shall not be monetarily liable to the City for delays in commencement or completion of the construction or operation of the airport express rail service or the operation of the Airport Check-In Facility at the Station Facility or for the

failure to provide the full implementation of the Airport Check-In Facility or the airport express rail service so long as CTA can demonstrate to the City that it has made all reasonable efforts to do so as provided herein, but if it fails or refuses to make such reasonable efforts CTA shall be subject to the remedies set forth in Section 15.02; provided that in all events CTA shall be firmly required to timely provide ordinary (local) rail service from the Station Facility as provided herein and in the CTA-Mills Development Agreement, failing which CTA shall be subject to the remedies provided for in Section 15.02.

Notwithstanding anything to the contrary contained herein, the CTA agrees that it shall, consistent with the CTA-Mills Development Agreement, develop or cause 108 LLC to develop retail uses on LL-1 in the Airport Check-In-Facility, subject to the reasonable approval of the City, during the time in which the Station Facility is utilized by the public on an initial basis as a regular transit station on a CTA rapid transit line, as such requirement is qualified by the provisions of the last paragraph of Recital D.

3.02 Scope Drawings and Plans and Specifications. As developed for CTA and Mills (or its designee 108 LLC) for the CTA Portion of the Project and the Mills Portion of the Project, respectively, the Scope Drawings shall be submitted to the Department for approval. A list of the Scope Drawings is or will be attached hereto as Exhibit H. CTA shall deliver or cause to be delivered to the Department for review from time to time for various phases or components of the Project proposed Plans and Specifications for the Project, which construction documents shall be prepared consistent with the pertinent Scope Drawings. Once "deemed final" Plans and Specifications have been submitted to the Department, any subsequent proposed changes to such Plans and Specifications shall be submitted to the Department as a Change Order as required by and pursuant to Section 3.04 hereof.

The Scope Drawings and the Plans and Specifications shall at all times conform to the Redevelopment Plan, as amended from time to time, the terms and conditions of this Agreement, and all applicable federal, state and local laws, ordinances and regulations including, without limitation, those related to the procurement requirements of the Federal Transit Administration. CTA shall submit all necessary documents to the City's Department of Construction and Permits ("DCAP"), Department of Transportation ("CDOT") and such other City departments or other governmental authorities as may be necessary and appropriate to acquire building permits and other required approvals for the Project. Copies of any and all building permits and approvals affecting the Project shall be delivered to the Department and to CDOT within five (5) days of issuance.

3.03 Project Budget. CTA has furnished to the Department, and the Department has approved, a preliminary Project Budget showing total costs for the Project in an amount of Two Hundred Thirteen Million, Three Hundred Forty Three Thousand Two Hundred Dollars (\$213,343,200), including contingency amounts and value engineering and other adjustments. CTA hereby certifies to the City based on a good faith determination that: (a) the CTA Financial Contribution (including the City Funds) and the Mills Financial Contribution shall be sufficient to complete the Project, and (b) the Project Budget is true, correct and complete in all material respects. CTA shall deliver to the Department certified copies of any Change Orders with respect to the Project Budget pursuant to Section 3.04 hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to the Project must be submitted by CTA to the Department and the Inspector (hereinafter defined), if any, concurrently with the progress reports described in Section 3.07 hereof. The receipt by the City of any such Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has committed pursuant to this Agreement or to provide any other additional assistance to CTA.

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

3.06 Other Approvals. Any Department approval required under this Agreement shall have no effect upon, nor shall it operate as a waiver of, CTA's obligations to comply with the provisions of Section 5.03 hereof. CTA shall not commence construction of the CTA Portion of the Project until CTA has obtained all necessary permits and approvals including, but not limited to, the Department's, if required, and, if applicable, that of the U.S. Department of Transportation, of Scope Drawings and the Plans and Specifications for the Project to be constructed and evidence of a pre-construction approval letter concerning various City and other construction requirements issued by the City obtained by the CTA or the CTA General Contractor.

3.07 Progress Reports. CTA shall provide the Department with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary.

3.08 Inspector. The City shall have the right to receive the written acknowledgement from any inspecting architect or engineer ("Inspector") hired by or on behalf of any Lender for the Project that the City may rely on any such Inspector that shall perform periodic inspections with respect to the Project, provide certifications with respect thereto and approve requests for disbursement for costs related to the Project pursuant to the Escrow Agreement. No separate inspector shall be required to be hired at the instance of the City.

3.09 Barricades. Prior to commencing any construction relating to the Off-Block Improvements in the public way or otherwise requiring barricades, CTA shall install or cause to be installed a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. The Department retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades. Requirements consistent with the above are intended to be imposed on Mills and included by the City in the Block 37 Redevelopment Agreement.

3.10 Signage and Public Relations. CTA acknowledges that Mills shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the construction and development of the Project, indicating that partial financing of the CTA Portion of the Project has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding CTA, the Property and the Project in the City's promotional literature and communications. After the issuance of the City's Certificate until the expiration of the Term of the Agreement, the Department shall also have the right to approve any exterior signage located at the entrance to the Project or on the public way regarding the Project in accordance with the terms of this Agreement and the Planned Development approved by the City regarding the Block; provided that the City's exercise of any such right of approval concerning any exterior signage at the Project located other than in the public way shall be consistent with, and shall not cause the CTA to violate, the CTA's advertising guidelines promulgated by CTA's ordinance #91-169, as may be amended from time to time.

3.11 Utility Connections. Unless otherwise provided for as part of the Block 37 Development Project, CTA in connection with the Project may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided CTA first complies and causes Mills to comply with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, CTA or Mills, as provided for in the CTA-Mills Development Agreement, shall be obligated to pay or cause to be paid only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago, subject to those fee waivers which are hereby approved and shall be approved by ordinance passed by the City Council of the City in connection with authorizing this Agreement and as listed on Exhibit P.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be Two Hundred Thirteen Million, Three Hundred Forty Three Thousand Two Hundred Dollars (\$213,343,200), to be applied in the manner set forth in the Project Budget. The basic components are as follows:

I. FUNDED BY THE CTA FINANCIAL CONTRIBUTION:

Subsurface design and construction:	\$94,265,900
CTA Connecting Tunnel Structure (Off-Block Improvements):	\$59,676,500
CTA track, signal, power, ventilation and fare control systems:	\$18,409,200

The parties understand and agree that it is intended that the City Funds shall be provided and utilized for TIF-Funded Improvements relating to the construction of the Off-Block Improvements, first for the payment of hard costs therefor and, if necessary, certain soft costs related thereto; provided that in all events City Funds are to be spent for TIF Funded Improvements arising out of contracts entered into for services and work that are intended to be undertaken directly by CTA or its contractors and not Mills.

II. FUNDED BY THE MILLS FINANCIAL CONTRIBUTION:

Subsurface design and construction: \$40,991,600

4.02 CTA Financial Contribution. The CTA Financial Contribution, beyond the City Funds to be provided pursuant to this Agreement, may consist of bond proceeds or other available sources which are or shall be committed for the development and construction of the Project. Any such bond proceeds, to the extent committed and used, have been identified as those derived from that certain bond issue in the amount of \$250,000,000 captioned "Chicago Transit Authority Capital Grant Receipts Revenue Bonds (Federal Transit Administration Section 5307 Formula Funds) Series 2004A (\$150,000,000) and Series 2004B (\$100,000,000). The parties further understand and acknowledge that CTA may apply for federal funding to pay for a portion of the Project costs under the Transportation Infrastructure and Innovation Act of 1998 ("TIFIA Financing"), which if obtained may also include all or a portion of Mills Financial Contribution. CTA has approved the Project as part of its five (5) years capital improvements budget, a copy of which is attached hereto as Exhibit D-1.

4.03 City Funds.

(a) **Uses of City Funds.** City Funds may be used to pay directly or reimburse CTA only for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit E sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein, contingent upon receipt by the City of documentation satisfactory in form and substance to the Department evidencing such cost and its eligibility as a Redevelopment Project Cost. In connection therewith, reference is made to anticipated funding categories for City Funds as set forth and provided under part I contained in Section 4.01 above.

(b) **Sources of City Funds.** The maximum amount of City Funds ("City Funds") available to pay for TIF-Funded Improvements pursuant to the terms and conditions of this Agreement is Forty Two Million Three Hundred Fifty Thousand Dollars (\$42,350,000), which shall be paid from Bond Proceeds or other legally available funds of the City.

(c) **Conditional Grant of City Funds.** The City Funds provided hereunder are being provided to CTA on a conditional basis subject to CTA's compliance with the requirements of this Agreement.

(d) Reduction in City Funds. The City may become entitled to a reduction in City Funds to the extent and as provided in the CTA-Mills Development Agreement.

4.04 Construction Escrow. The City, CTA, Mills and any Lender providing Lender Financing shall enter into an Escrow Agreement with the Title Company or its affiliate with regard to disbursement of funds to cover Project costs. All disbursements of Project funds (except for the Prior Expenditures, which may be disbursed directly to CTA outside of the Escrow) shall be made through the funding of draw requests pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The parties acknowledge that the Mills Financial Contribution may be disbursed into a subaccount of the Escrow, and that the Escrow Agreement shall be in form and substance acceptable to any lender providing the Lender Financing.

4.05 Treatment of Prior Expenditures.

(a) Prior Expenditures. Only those expenditures made by CTA with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to the Department and approved by the Department as satisfying costs covered in the Project Budget, shall be considered as previously contributed CTA Financial Contribution or expenses incurred by CTA and subject to reimbursement ("Prior Expenditures"). Exhibit J hereto sets forth the prior expenditures approved by the Department as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to CTA, but shall reduce the amount of the CTA Financial Contribution required to be contributed by CTA pursuant to Section 4.01 hereof.

(b) Allocation Among Line Items. Disbursements for expenditures of City Funds related to TIF-Funded Improvements may be allocated to and charged against the appropriate line items of TIF Funded Improvements only.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, CTA shall be solely responsible for such excess costs, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds. CTA further acknowledges and agrees that any increase in the Project Budget shall be paid for solely by CTA or Mills, pursuant to the CTA-Mills Development Agreement.

SECTION 5. CONDITIONS PRECEDENT

The following conditions shall be complied with to the City's reasonable satisfaction within the time periods set forth below or, if no time period is specified, at least five (5) business days prior to the Initial Closing:

5.01 Project Budget. CTA shall have submitted to the Department a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. CTA shall have submitted to the Department the Scope Drawings and the Plans and Specifications in accordance with the provisions of Section 3.02 hereof theretofore developed consistent with the undertakings of CTA and Mills (and its designee 108 LLC) under the CTA-Mills Development Agreement and the Schedule.

5.03 Other Governmental Approvals. CTA shall have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation which are reasonably obtainable as of the Initial Closing and shall submit evidence thereof to the Department for the Project.

5.04 Financing. CTA shall have furnished proof reasonably acceptable to the City that the CTA Financial Contribution and the Mills' Financial Contribution (provided by Mills through the CTA-Mills Development Agreement as part of Mills' obligations to construct certain aspects of the Project), in the amounts set forth in Section 4.01 are committed to complete the Project to satisfy CTA's obligations under this Agreement. In the case of the Mills Financial Contribution, the City may independently obtain reasonably acceptable proof thereof pursuant to the provisions and requirements of the Block 37 Redevelopment Agreement.

5.05 Acquisition of Property Interests. The parties understand that the City Parcel will be conveyed by the City to Mills (and to 108 LLC to the extent directed by Mills), subject to the matters set forth in Exhibit I and referred to herein as "Permitted Liens", as contemplated in Recital E in accordance with the terms and provisions of the Block 37 Redevelopment Agreement.

In addition, the City Parcel shall be conveyed to the extent aforesaid by the City to Mills (and to 108 LLC to the extent directed by Mills), "AS IS" and "WHERE IS", and with no warranty, express or implied, by the City as to the condition of the soil, its geology, or the presence of known or unknown faults, or to the physical and environmental condition of any improvements located thereon. It shall be the sole responsibility of Mills (and its designee 108 LLC) and, to the extent provided in the CTA-Mills Development Agreement, CTA, in undertaking to develop and construct the Project, to investigate and determine the environmental condition of the Property. If the environmental condition of the Property is not in all respects entirely suitable for the use or uses to which the Property is to be utilized in conjunction with the Project, then it shall be the sole responsibility and obligation of Mills (and its designee 108 LLC) and/or, to the extent provided in the CTA-Mills Development Agreement, CTA to take such action as may be necessary to place the environmental condition of the Property in a condition entirely suitable for the intended Project.

Once the City Parcel has been conveyed to the extent aforesaid by the City to Mills (and to 108 LLC to the extent directed by Mills), and all pre-conditions relating to the Project have

been satisfied by CTA in accordance with this Agreement, including without limitation, the following:

- delivery to the Department to the extent then required hereunder, of the approved Plans and Specifications (prepared on a "staged" or "phased" basis) for the Project;
- approval by the Department of the Schedule for the Project, as the same may permissibly be adjusted;
- delivery to the Department of the Project Budget and satisfactory evidence to the Department of the CTA Financial Contribution and the Mills Financial Contribution;
- the obtaining by CTA and/or Mills of insurance policies and coverages as provided for in Section 5.08 and Section 12 below; and
- approval of the terms and provisions of the CTA-Mills Development Agreement, and satisfaction of all pre-conditions by Mills (and its designee 108 LLC) and the CTA as provided for thereunder as of the Initial Closing;

the parties shall execute the Escrow Agreement and make their respective initial deposits, which for purposes of this Agreement shall be referred to as the "Initial Closing". The time frame for any required City approvals shall take into account the need to coordinate at Initial Closing the concurrent closings under the CTA-Mills Development Agreement and the Block 37 Redevelopment Agreement.

5.06 [Intentionally Omitted].

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

5.08 Insurance. CTA certifies to the City that it is self-insured. CTA shall further submit evidence that 108 LLC has obtained the proper insurance during the construction of the Project.

5.09 Opinion of CTA's Counsel. On the Initial Closing Date, CTA shall furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit K, with such changes as may be required by or acceptable to Corporation Counsel. If CTA has engaged outside counsel in connection with the Project, and such outside counsel is unwilling or unable to give some of the opinions set forth in Exhibit K hereto, such opinions shall be obtained by CTA from its counsel.

5.10 Evidence of Prior Expenditures. Not less than twenty (20) business days prior to the Initial Closing Date, the CTA shall have provided evidence satisfactory to the Department in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Documentation. CTA shall have provided or caused to be provided by 108 LLC documentation concerning the Project to the Department, satisfactory in form and substance to the Department, in its sole discretion, including, without limitation, a CTA General Contractor's sworn statement and a Mills Construction Manager's sworn statement with respect to Mills Portion of the Project identifying which subcontractors are DBEs, certified and an owner's sworn statement as to the portions of the Project for which work has been let.

5.12 Environmental and Accessibility Audits. Not less than twenty (20) business days prior to the Initial Closing Date, CTA shall have provided the Department with copies of any Phase I environmental and accessibility audits completed with respect to the Property that have been obtained by CTA, either through its own initiative or from 108 LLC. Based on the City's review of the Phase I environmental audit(s), the City may, in its sole discretion, require the completion of a Phase II environmental audit with respect to the Property prior to the Initial Closing Date. Prior to the Initial Closing Date, CTA shall provide and/or cause 108 LLC to use reasonable efforts to provide, as appropriate, the City with a letter from the consultant(s) who completed such audit(s), authorizing the City to rely on such audit(s).

5.13 Delivery of Draw Requests. Prior to each disbursement of funds from the Escrow, CTA shall submit documentation of such expenditures to the Department, which shall be reviewed and processed on behalf of the Department by the Inspector, if any, and any other designee of the Department. Delivery by CTA of any draw request under the Escrow shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such draw request, that:

(a) the total amount of the draw request represents the actual cost of the acquisition or the actual amount payable to (or paid to) the Mills Construction Manager, the CTA General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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

(c) CTA has approved all work and materials for the current draw request, and such work and materials conform to the Plans and Specifications and Exhibit C;

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

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

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

(g) the Project is in balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds (as hereafter defined) equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed Mills Financial Contribution (including Lender Financing and/or TIFIA Financing if any); and (ii) the undisbursed CTA Financial Contribution (including undisbursed City Funds and any other amounts authorized by CTA pursuant to this Agreement). CTA hereby agrees that, if the Project is not In Balance due to deficiencies in the amount of the CTA Financial Contribution, CTA shall, within 10 days after a written request by the City, reallocate or cause to be reallocated amounts in any reserve for contingencies established in the Project Budget or authorize additional funds to be committed in an amount that will place the Project in Balance.

The City shall have the right, in its discretion, to require CTA to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct. As provided in Section 5.02 of the CTA-Mills Development Agreement, (1) the City shall have the right to approve applications for payment and draws under the Escrow Agreement that include costs of the Project to be funded from the City funds that are part of the CTA Financial Contribution, and (2) Mills and CTA are to provide the City with concurrent copies of all documentation submitted in connection with applications for payment in order that the City can monitor the progress of completion of the Project. The City understands it shall review and approve any draw request with respect to which it has any approval rights (as described in (1) above of this paragraph), or otherwise indicate to CTA what deficiencies are contained in such draw request, within thirty (30) days of receipt.

5.14 CTA-Mills Closing. The occurrence of one or the other of the transactions contemplated by subsections (a) or (b) below shall be deemed for purposes of this Agreement to be the "CTA-Mills Closing":

(a) If the CTA does not obtain TIFIA Financing for the Project, then once the Project is completed, as evidenced by the issuance of the Certificate by the Department, and accepted by CTA in accordance with the CTA-Mills Development Agreement, CTA shall acquire property interests relating to the Property from Mills (or its designee 108 LLC) in the following manner: (i) a fee interest in the Station Parcel and the Airport Check-In Parcel; (ii) easements appurtenant for ingress, egress and access from street level to and from the Station Parcel and the Airport Check-In Parcel, including vehicle drop-off areas for CTA customers and baggage ("Easement Parcel One"); (iii) easements appurtenant for utility service, venting, support and other services required to operate the Project ("Easement Parcel Two") and (iv) an agreement between CTA and Mills relating to a preferential right granted to CTA relating to its use of the loading dock on LL-1 ("Loading Dock Agreement").

(b) If, however, prior to the completion of the Project, the CTA obtains TIFIA Financing CTA shall acquire from Mills (or its designee 108

LLC) the following property interests in order to facilitate the TIFIA Financing, all as more particularly provided in the CTA-Mills Development Agreement: (i) a fee interest in the Station Parcel, the Airport Check-In Parcel plus certain additional areas as may be necessary to effect TIFIA Financing located on LL-1, LL-2, LL-3 and LL-3.5 and Lower Level 4 (the latter additional areas to be subject to leaseback by Mills); and (ii) appurtenant easements with respect to Easement Parcel One and Easement Parcel Two; and (iii) rights under the Loading Dock Agreement.

(c) The rights and interests set forth under the foregoing clauses (i) through (iv) of Section 5.14(a) or clauses (i) through (iii) of Section 5.14(b), as applicable, shall be deemed to constitute the "Property" in lieu of the meaning of such term contained in Recital D. On the date of the CTA-Mills Closing, CTA shall furnish the City with a copy of the Title Policy issued by the Title Company for the interests in the Property acquired by CTA from Mills (or its designee 108 LLC) pursuant to the CTA-Mills Development Agreement, together with the Survey of the Property required to be provided to CTA at the CTA-Mills Closing pursuant to the CTA-Mills Development Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The Department has approved the selection of W.E. O'Neil Construction Company as the Mills Construction Manager hired by Mills (and/or its designee 108 LLC) regarding the construction and development of the Mills Portion of the Project. The selection by CTA of the CTA General Contractor to be engaged by CTA to construct the CTA Portion of the Project shall be in accordance with applicable CTA procurement obligations and requirements.

CTA shall submit copies of the Construction Contract between it and the CTA General Contractor, and shall use best efforts to cause Mills to submit a copy of the Construction Contract between Mills and the Mills Construction Manager, to the Department in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to the Department within five (5) business days of the execution thereof. CTA shall ensure that the CTA General Contractor shall not (and shall cause the CTA General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications for the pertinent phase have been submitted to the Department and all requisite permits have been obtained based thereon. It is expressly acknowledged by the City that the Project's design and construction will proceed on a design-build basis in various phases and components consistent with the obligations of the parties to the CTA-Mills Development Agreement to proceed in compliance with the Schedule.

6.02 Construction Contract. Within the time periods provided for in the Schedule, CTA shall deliver to the Department a copy of the proposed Construction Contract (which may be in

the form of a Construction Management Agreement) with the CTA General Contractor, and prior to the Initial Closing Date, the CTA shall use its best efforts to cause Mills to deliver a copy of the proposed Construction Contract with the Mills Construction Manager, in accordance with Section 6.01 above, for Department's prior written approval solely based on determining consistency and compliance with the applicable express terms of this Agreement, CTA procurement regulations and requirements and FTA rules and regulations, and if applicable, the Block 37 Redevelopment Agreement, which approval shall be granted or denied by the City within ten (10) business days after delivery thereof, provided that the City's exercise of the right conferred by this sentence to approve any Construction Contract with the CTA General Contractor shall be consistent with, and shall not cause CTA to violate, any applicable CTA procurement regulations and requirements or FTA rules and regulations. Within ten (10) business days after execution by CTA of the Construction Contract with the CTA General Contractor, CTA shall deliver to the Department and the Corporation Counsel a certified copy of such Contract together with any modifications, amendments or supplements thereto. Within ten (10) business days after execution by Mills of the Construction Contract with the Mills Construction Manager, CTA shall deliver, or use reasonable efforts to cause Mills to deliver, to the Department and to the Corporation Counsel a certified copy of such Contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of any portion of the Project involving work in the public way or work that constitutes a "public work" under applicable state law and is required to be bonded under such state law, CTA shall require that the Mills Construction Manager and the CTA General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond. Prior to the commencement by such General Contractor or any subcontractor of work concerning the Project, including work in the public way, the General Contractor and any such subcontractor shall comply with the licensing, letter of credit, insurance and bonding, and other requirements applicable under the Municipal Code of Chicago and the statutes of the State of Illinois. It is expressly acknowledged that the entire Project constitutes a public improvement and public works project.

6.04 Employment Opportunity. CTA shall contractually obligate the CTA General Contractor and shall cause Mills to obligate the Mills Construction Manager and their respective subcontractors to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, CTA shall require and cause Mills to require each Construction Contract for work at the Project and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (Construction Worker Hours); Section 10.04 (CTA's DBE Commitment), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to Department within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF THE PROJECT

7.01 Certificate. Once CTA and Mills (and its designee 108 LLC) have completed all of the components of the Project in accordance with the terms of this Agreement, as implemented pursuant to the CTA-Mills Development Agreement and more generally governed by the Block 37 Redevelopment Agreement, the Department, upon the written request of CTA or Mills, shall issue to the CTA and Mills a certificate of completion ("Certificate") in recordable form certifying that CTA and Mills have fulfilled, or caused to be fulfilled, its obligation to complete the Project in accordance with the terms of this Agreement.

Notwithstanding anything to the contrary contained herein, the Certificate issued by the Department shall not constitute evidence that the CTA or Mills has complied with any applicable provisions of federal, state and local laws, ordinances and regulations with regard to the completion of the various components of the Project and furthermore, shall not serve as any "guaranty" as to the quality of the construction work.

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

Those covenants specifically described in Sections 8.01(c), 8.02, and 10.01 and the covenants contained in the Deed shall be covenants that run with the land, and are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement (or such longer period expressly provided for any particular such covenant) notwithstanding the issuance of the Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon CTA or a permitted assignee of CTA who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of CTA's rights under this Agreement and assume CTA's liabilities hereunder.

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

(a) the right to terminate this Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest

costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, CTA shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from CTA, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not violate the tax-exempt status of any Bonds or other issued obligation whose proceeds were or are to be used for the Project or that are otherwise affected by the Project.

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF CTA.

8.01 General. CTA represents, warrants and covenants, as of the date of this Agreement, and throughout the Term of this Agreement, that:

(a) CTA has the authority as a municipal corporation of the State of Illinois, to execute and deliver this Agreement and to perform its obligations hereunder;

(b) CTA has or shall obtain, and thereafter maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the CTA Portion of the Project;

(c) prior to the expiration of the Term of the Agreement, the CTA shall not, without the prior written consent of the Department, directly or indirectly sell, transfer, convey, lease (except for Permitted Transfers or otherwise dispose of all or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto).

8.02 Covenant to Redevelop; Covenant to Operate. Upon the Department's receipt and/or approval of the Project Budget, the Scope Drawings and Plans and Specifications (which Plans and Specifications and building permits may be completed and/or issued for stages or phases of the Project pursuant to the Block 37 Redevelopment Agreement and the CTA-Mills Development Agreement) as provided in Sections 3.02 and 3.03 hereof, and CTA's receipt of all required building permits (which permits may be issued in stages of phases) and governmental approvals, CTA shall redevelop or cause to be redeveloped the Property in accordance with this Agreement, the CTA-Mills Development Agreement and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or CTA.

Upon the issuance of the Certificate by the Department, for a term of thirty (30) years thereafter, CTA shall operate the Station Facility in accordance with the terms and conditions of the Agreement. The undertaking of CTA to operate the Station Facility entails CTA commencing operation of ordinary (local) rail service between the Station Facility and the airports (i.e. the Station Facility shall be added as a regularly scheduled stop on a CTA rail line between the Station Facility and the airports) in connection with the opening of the Retail Component as provided in the CTA-Mills Development Agreement and thereafter continuously operating such rail service from the Station Facility for the aforesaid thirty (30) year operating term, subject to periodic interruption if and to the extent required for emergencies, maintenance and repairs in the ordinary course of business and force majeure as provided in Section 18.17. If the Station Facility is closed due to any such emergencies, maintenance and repair, or force majeure, CTA shall promptly and diligently complete any such emergency repairs and replacements or any such maintenance and repair work that may be needed so that operation of the rail service from the Station Facility can be resumed as soon as reasonably possible. Such operating covenant shall also entail the undertaking by CTA to obtain as soon as possible after completion of the Project the authorizations, approvals, funding, purchase and construction of all required components and equipment for express rail service (i.e. limited stop or non-stop service) to the airports through the Station Facility and all authorizations and approvals for the opening and operation of the Airport Check-in Facility as soon as practical after completion of the Project; provided, however, that CTA shall not be liable to the City for delays in commencement of express rail service to the airports or the operation of the Airport Check-in Facility at the Station Facility or for the failure to provide such express rail service or the Airport Check-In Facility so long as CTA can demonstrate that it has made all reasonable efforts to do so as provided in this Agreement. Further, CTA agrees, with regard to the leasing of any retail space at the Airport Check-In Facility, that it will proceed and comply with the applicable provisions of the CTA-Mills Development Agreement.

The covenants set forth in this Section shall run with the land and be binding upon any transferee and constitute "Performance Covenants."

8.03 Redevelopment Plan. CTA acknowledges that it is the intent of the City that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

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

8.05 Other Bonds. CTA shall, at the request of the City and subject to approval of CTA's Transit Board, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any additional bonds in connection with the Project or the Redevelopment Project Area ("Other Bonds"); provided, however, that any such amendments shall not have a material adverse effect on CTA, the Property or the Project. CTA shall, at CTA's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Other Bonds, including but not limited

to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. CTA shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by CTA that is determined to be materially false and misleading.

8.06 Employment Opportunity; Progress Reports. CTA covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the CTA General Contractor, (and shall cause Mills to obligate and use reasonable efforts to cause the) Mills Construction Manager and each respective subcontractor to abide by the terms set forth in Section 10 hereof. CTA shall deliver and cause Mills to deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.04 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, CTA shall also deliver a plan to the Department which shall outline, to the Department's satisfaction, the manner in which CTA shall correct any shortfall.

8.07 [Intentionally omitted.]

8.08 Employment Profile. CTA shall submit, and contractually obligate the CTA General Contractor or any subcontractor to submit, to the Department, from time to time, statements of its employment profile upon the Department's request. CTA shall cause Mills to submit, and contractually obligate and cause the Mills Construction Manager or any subcontractor to submit, to the Department, from time to time, statements of its employment profile upon the Department's request.

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

8.10 Insurance. CTA certifies to the City that it is self-insured, which shall be evidenced to the satisfaction of the City in the manner and to the extent in Section 12 below. Insurance shall be provided by the CTA General Contractor and Mills (or the Mills Construction Manager) in accordance with the provisions described in Section 12.

8.11 CTA's Liabilities. CTA shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. CTA shall immediately notify the Department of any and all events or actions which may materially affect CTA's ability to carry on its business operations or perform its obligations under this Agreement.

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

8.13 Recording and Filing. CTA shall cause this Agreement or a suitable and mutually agreed upon Memorandum of Agreement, certain exhibits (as specified by Corporation Counsel), and all amendments and supplements hereto to be recorded and filed with the Office of the Recorder of Deeds of Cook County, Illinois ("Recorder's Office").

8.14 Survival of Covenants. All warranties, representations, covenants and agreements of CTA contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of CTA's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance the Certificate) shall be in effect throughout the Term of the Agreement (or such longer period as may be expressly provided for herein).

8.15 Compliance by Mills. The City acknowledges that whenever in this Agreement that the CTA is obligated "to cause" Mills to perform any acts for the benefit of the City, the CTA is required to use its best efforts to cause compliance by Mills to the fullest extent authorized by the CTA-Mills Development Agreement, and if the CTA uses its best efforts to cause Mills to perform any such required acts, then CTA shall not be liable for any failure to act by Mills.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. CTA, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its General Contractor, subcontractors or any Affiliate of CTA operating on the Property (collectively, with CTA, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to CTA and during the period of any other party's provision of services to CTA in connection with the construction of the Project or occupation of the Property, to the extent not in conflict with CTA's procurement requirements or applicable federal and state law:

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

(b) [Intentionally omitted]

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

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of

these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

10.02 Construction Worker Hours. Because the Project is to be federally assisted, CTA has affirmative action requirements or goals for the Project that impose construction worker hours participation by utilization of minorities and women, respectively. Such requirements or goals are set forth in Exhibit M attached hereto. CTA shall comply, and shall cause the Mills Construction Manager and CTA General Contractor to comply therewith.

10.03 [Intentionally omitted.]

10.04 CTA's DBE Commitment. CTA agrees for itself and its successors and assigns, that because the construction of the Project involves use of federal funds as part of CTA's Financial Contribution, CTA will meet and satisfy federal contract participation requirements for using DBEs for contracts entered into related to the DBE Budget. Attached hereto as Exhibit M is a description of CTA contract participation requirements for DBEs predicated on such federal requirements applicable to the Project as represented to the City by CTA. CTA shall provide evidence to the City, in conjunction with its other reporting to the City with respect to compliance matters, that it is complying with federal requirements relating to the hiring of DBEs during the construction of the Project. Given the highly specialized nature of certain aspects of the Project to be performed by the Mills Construction Manager, CTA recognizes that participation by DBEs might be somewhat restricted. CTA expects to agree with Mills that even if Mills could not meet fully the contract participation requirements regarding DBEs on the Project itself, Mills will be allowed to make up any shortfall on the overall Block 37 Redevelopment Project, if Mills has demonstrated "good faith" efforts to otherwise satisfy the requirements.

Prior to the commencement of the Project, CTA, the CTA General Contractor and all major subcontractors shall be required to meet with the designated monitoring staff of the City with regard to CTA's compliance with its obligations under Sections 10.02 and 10.04. During this meeting, CTA shall submit, and cause Mills (or its designee 108 LLC) to submit, its DBE Utilization Plan, and shall demonstrate to the Department its plan to achieve its obligations under Sections 10.02 and 10.04, the sufficiency of which shall be approved by CTA and such monitoring staff. During the Project, CTA shall submit, and cause Mills (or its designee 108 LLC) to submit in accordance with Section 8.06, the documentation required by Sections 10.02 and 10.04 to the monitoring staff. Failure to submit such documentation on a timely basis, or a determination by such monitoring staff, upon analysis of the documentation, that CTA is not complying with its obligations hereunder shall, upon the delivery of written notice to the CTA and subject to the curative period provided in Section 15.03, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies

provided in this Agreement, the City may: (1) (2) withhold any further payment of any City Funds to CTA or the CTA General Contractor(s); and (2) seek any other remedies against CTA available at law or in equity.

10.05 Collaboration Regarding City and CTA Hiring, Contract Participation and Reporting Requirements. Because of differing hiring and contract participation requirements of the City and CTA set forth in this Agreement but the potential for overlap, the parties recognize that tracking and reporting with respect to such requirements will be a significant administrative task. Accordingly, both the City and CTA have agreed to work together with Mills to develop, and have developed, a feasible and reasonably achievable, uniform, streamlined methodology for reporting and monitoring hiring and contract participation as more particularly set forth in Exhibit N attached hereto.

SECTION 11. ENVIRONMENTAL MATTERS

CTA hereby represents and warrants to the City that Mills and/or CTA has conducted environmental studies sufficient to conclude (and that CTA has concluded) that the Project shall be constructed, completed and operated in accordance with all Environmental Laws.

Without limiting any other provisions hereof, from and after the acquisition by CTA of the Property, CTA shall indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, to the extent caused by, or within the control of CTA: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which CTA, or any person directly or indirectly controlling, controlled by or under common control with CTA, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by CTA), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or CTA or any of its affiliates under any Environmental Laws relating to the Property. The foregoing indemnity shall not apply to any losses, liabilities, damages, injuries, costs, expenses or claims arising due to or out of the gross negligence or willful misconduct of the City.

SECTION 12. INSURANCE

As part of its undertakings in constructing the CTA Portion of the Project, CTA shall provide and maintain, or cause the CTA General Contractor to provide and maintain, at its own expense, during the Term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement. As part of its undertakings in

constructing the Mills Portion of the Project, CTA shall require that Mills (or its designee 108 LLC) provide and maintain, or cause to be provided, at its own expense, during the Term of this Agreement, the insurance coverages and requirements specified in Sections 5.17, 8.19, 11 and 12 of the Block 37 Redevelopment Agreement, insuring all operations related to the Agreement.

A. **INSURANCE TO BE PROVIDED BY CTA**

1) **Workers Compensation and Employers Liability**

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

2) **Commercial General Liability (Primary and Umbrella)**

Commercial General Liability Insurance or equivalent with limits of not less than \$5,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, explosion, collapse, underground, separation of insured, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

3) **Automobile Liability (Primary and Umbrella)**

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

4) **Self Insurance**

To the extent permitted by law, CTA may self insure for the insurance requirements specified above, it being expressly understood and agreed that if CTA does self insure for the above insurance requirements, CTA must bear all risk of loss for any loss to the extent of funds available in its self-insurance programs as of the date of the claim. The foregoing limitation as to CTA's self-insurance program shall not be deemed a waiver by the City of any claim the City may have at law or in equity. The CTA's self insurance program is described more fully in Exhibit O.

B. **INSURANCE COVERAGE TO BE MAINTAINED BY MILLS**

Mills (and the Mills Construction Manager) shall carry and maintain the types and levels of insurance as are required in the CTA-Mills Development Agreement and the Block 37 Redevelopment Agreement, respectively.

C. INSURANCE COVERAGE TO BE MAINTAINED BY CTA's GENERAL CONTRACTOR

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$1,000,000 each accident or illness.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$50,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insured, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

Subcontractors performing work for Contractor must maintain limits of not less than \$2,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, Contractor must provide or cause to be provided, Automobile Liability Insurance with limits of not less than \$10,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

Subcontractors performing work for Contractor must maintain limits of not less than \$2,000,000 with the same terms herein.

4) Railroad Protective Liability

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

5) All Risk Builders Risk

All Risk Builders Risk Insurance must be maintained by Developer or Contractor to cover at replacement cost the materials, supplies, equipment, machinery and fixtures that are or will be part of the permanent facility/project. Coverages must include but are not

limited to the following: material stored off-site and in-transit, earth movement, flood, equipment breakdown, damage to adjoining and existing property, collapse, debris removal, water including overflow, leakage, sewer backup or seepage, physical loss resulting from faulty workmanship, materials or design, mechanical-electrical breakdown and testing. The City of Chicago and Chicago Transit Authority are to be named as additional insureds and loss payee.

The Contractor is responsible for any and all loss or damage to personal property (including but not limited to materials, equipment, tools and supplies), owned, rented or used by the Contractor.

6) Professional Liability

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

Subcontractors performing services for Contractor must maintain limits of not less than \$1,000,000 with the same terms herein.

7) Valuable Papers

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

8) Contractors Pollution Liability

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

D. ADDITIONAL REQUIREMENTS

CTA and CTA's General Contractor must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North La Salle Street 60602, original

Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. CTA and CTA's General Contractor must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to execution of Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from CTA and CTA's General Contractor is not a waiver by the City of any requirements for CTA and CTA's General Contractor to obtain and maintain the specified coverages. CTA and CTA's General Contractor shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve CTA and CTA's General Contractor of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated.

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

Any deductibles or self insured retention on referenced insurance coverages must be borne by CTA and CTA's General Contractor.

CTA and CTA's General Contractor agree that insurers waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

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

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by CTA and CTA's General Contractor under the Agreement.

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

If CTA and CTA's General Contractor is a joint venture, the insurance policies must name the joint venture as a named insured.

CTA and CTA's General Contractor must require all subcontractors to provide the insurance required herein, or CTA and/or CTA's General Contractor may provide the coverages for subcontractors.

If CTA and CTA's General Contractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

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

SECTION 13. INDEMNIFICATION

Except for matters arising due to the City's negligence and willful misconduct, CTA agrees to indemnify, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates, harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) CTA's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) CTA's or any contractor's failure to pay the CTA General Contractor, Mills Construction Manager or other contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement, or (iii) the existence of any material misrepresentation or omission by CTA in this Agreement, or any other document related to this Agreement that is the result of information supplied or omitted by CTA or its agents, employees, contractors or persons acting under the control or at the request of CTA; or (iv) CTA's failure to cure any material misrepresentation in this Agreement or any other agreement relating hereto.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02 Inspection Rights. Upon three (3) business days' notice, and subject to the reasonable rights of tenants occupying any portion of the Property, any authorized representative of the City shall have reasonable access to all portions of the Project and the Property during normal business hours for the Term of the Agreement, provided that any such access may be reasonably regulated by CTA so as to minimize disruption and ensure safety during the construction and operation of the Project.

SECTION 15. DEFAULT AND REMEDIES

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

(a) the failure of CTA to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the CTA under this Agreement (except those covenants, conditions, promises, agreements or obligations described in Section 8.02, and Section 3.01 for which there is no remedy at law or in equity unless the CTA fails to use all reasonable efforts to perform, keep or observe them) or any related agreement, which default is not cured within any applicable cure period;

(b) A material default under the CTA-Mills Development Agreement, which default is not cured within any applicable cure period;

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

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

(e) the commencement of any proceedings in bankruptcy by or against CTA or for the liquidation or reorganization of CTA, or alleging that CTA is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of CTA'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 CTA; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within ninety (90) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for CTA, for any substantial part of CTA's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of CTA; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within ninety (90) days after the commencement thereof;

(g) failure of the CTA to fund its portion of the CTA Financial Contribution;

(h) the occurrence of an event of default under any Lender Financing comprising a part of the CTA Financial Contribution, which default is not cured within any applicable cure period;

(i) the dissolution of CTA.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements. In addition, the City may, in any court of competent

jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy provided for hereunder or at law or in equity not otherwise expressly limited or precluded in this Agreement, including, without limitation, injunctive relief, specific performance of the agreements contained herein, provided, however, that in no event shall the City's damages ever exceed the amount of City Funds paid to CTA, plus costs of enforcement as provided for in Section 18.21.

15.03 Curative Period. In the event CTA shall fail to perform a monetary covenant which the CTA is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless CTA shall have failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event CTA shall fail to perform a non-monetary covenant which CTA is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless CTA shall have failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, CTA shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. The above cure periods shall not apply to a failure by CTA to comply with the covenants set forth in Section 18.15. For such failures, there shall be no notice requirement and no cure period, and such failure shall constitute an immediate Event of Default.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages, sale/leaseback arrangements, deeds of trust and collateral assignments of beneficial interest (each, a "Mortgage") in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit I hereto and are referred to herein as the "Existing Mortgages." Any Mortgage executed, delivered and, if applicable, recorded by a successor Lender with the prior written consent of the City is referred to herein as a "Permitted Mortgage." The City specifically acknowledges that CTA may apply for and receive TIFIA Financing that might impact the Property (as that term defined in Recital D may be expanded and adjusted as contemplated in the last paragraph of Section 5.05), as contemplated and permitted in the CTA-Mills Development Agreement. Any Mortgage affecting the Property arising out of TIFIA Financing shall be a Permitted Mortgage. It is hereby agreed by the CTA as follows:

(a) In the event that a Lender shall succeed to the interest of CTA in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure, deed in lieu of foreclosure or UCC sale of a beneficial interest in a land trust, and in conjunction therewith accepts an assignment of the interest of CTA hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such Lender as the successor in interest to CTA hereunder for all purposes under this

Agreement so long as such party accepts all of the obligations and liabilities of CTA hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the interest of CTA in the Property, such party shall have no liability under this Agreement for any Event of Default of CTA hereunder which accrued prior to the time such party succeeded to the interest of CTA, in which case CTA shall be solely responsible. However, if such Lender does not expressly accept an assignment of CTA's interest hereunder, the Lender shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by the covenants specified in Section 7.02 that run with the land without personal liability therefor, the sole recourse for any violation of any such covenant being limited to Lender's interest in the Property.

(b) Prior to the City's issuance of a Certificate, no new Mortgage (other than a Mortgage executed in connection with the TIFIA Financing contemplated by the first paragraph of this Section 16 or in connection with Mills financing the Block 37 Redevelopment Project that includes the Mills Portion of the Project as might be permitted under the Block 37 Redevelopment Agreement) may be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of the Department. After the issuance of such Certificate, only Mortgages securing certain of Lender Financing may be permitted, subject to the limitations set forth herein, but the CTA shall be permitted to Mortgage or otherwise encumber the CTA portion of the Project for financing purposes. It is expressly acknowledged and agreed that CTA may (i) grant any leases, licenses or other use agreements as customary in the ordinary course of its business or otherwise contemplated under the CTA-Mills Development Agreement with respect to the use of portions of the Project for any concessions, advertising or other uses incidental to CTA's transit use; and (ii) permit transfers to successor transit agencies or to effect financing arrangements, including sale/leaseback arrangements; and (iii) replace or retire any fixtures or equipment installed as part of the Project in the ordinary course of CTA's operation of the Property (collectively, the "Permitted Transfers").

SECTION 17. NOTICE

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

If to the City:

City of Chicago
Department of Planning and Development
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner
Facsimile: (Omitted for printing purposes)

With copies to: City of Chicago Department of Law
Real Estate & Land Use Division
30 North LaSalle Street, Room 1610
Chicago, Illinois 60602
Facsimile: (Omitted for printing purposes)

If to CTA: Chicago Transit Authority
P.O. Box 7564
Chicago, Illinois 60680-7564
Attn: General Counsel
Facsimile: (Omitted for printing purposes)

With copies to: Charity & Associates
20 North Clark Street
Suite 700
Chicago, Illinois 60602
Attn: Elvin Charity
Facsimile: (Omitted for printing purposes)

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan hereto without the consent of any party hereto, provided that any such amendment, modification or supplement shall not have a material adverse effect on CTA, the Property or the Project. In addition, the Commissioner shall have discretion to agree to amendments and modifications to Exhibits to correct scrivener's errors and to update Exhibits to more precisely or completely finalize descriptions of the Project and its plans, specifications, budgets and schedules.

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

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

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

18.05 Waiver. Waiver by the City or CTA with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or CTA in writing.

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

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

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

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

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

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

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

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

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

18.15 Assignment. Prior to the issuance of the Certificate, except for Permitted Transfers, CTA may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, which consent shall be in the City's sole discretion. Thereafter, any successor in interest to the CTA under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement or such longer period as may be applicable.

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

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

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

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if CTA is required to provide notice under the WARN Act, CTA shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the

Mayor of each municipality where the CTA has locations in the State. Failure by CTA to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, CTA agrees to pay upon demand the City's out-of-pocket expenses, [including reasonable attorneys' fees of outside counsel, if any, retained by the City,] incurred in connection with the City's enforcement of this Agreement.

18.22 Business Relationships. CTA acknowledges (a) receipt of a copy of Section 2-156-030(b) of the Municipal Code of Chicago, (b) that CTA has read such provision and understands that pursuant to such Section 2-156-030(b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-030(b) of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) that a violation of Section 2-156-030(b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement, shall be grounds for termination of this Agreement and the transactions contemplated hereby. CTA hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

**CITY OF CHICAGO, an Illinois
municipal corporation, acting by and
through its Department of Planning
and Development**

By: _____
Denise M. Casalino, P.E.
Commissioner

**CHICAGO TRANSIT AUTHORITY, a political
subdivision, a body politic and a municipal corporation of
the State of Illinois**

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the
State aforesaid, do hereby certify that _____, personally known to me to be the _____
of the Board of the Chicago Transit Authority ("CTA"), and personally known to me to be the
same person whose name is subscribed to the foregoing instrument, appeared before me this day in
person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the
authority given to him by the CTA, as his free and voluntary act and as the free and voluntary act
of the CTA, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 200__.

Notary Public

My Commission Expires _____

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that Denise M. Casalino, P.E., personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago ("City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 200__.

Notary Public

My Commission Expires _____

[(Sub)Exhibits "A", "B", "G", "H", "J", "K", "M" and "N" referred to in this Intergovernmental Agreement with Chicago Transit Authority unavailable at time of printing.]

[(Sub)Exhibit "A-1" referred to in this Intergovernmental Agreement with Chicago Transit Authority constitutes Exhibit "A" to ordinance and printed on pages 46846 through 46853 of this *Journal*.]

[(Sub)Exhibits "C", "D", "D-1" and "F" referred to in this Intergovernmental Agreement with Chicago Transit Authority printed on pages 46903 through 46924 of this *Journal*.]

(Sub)Exhibits "E", "I", "L", "O" and "P" referred to in this Intergovernmental Agreement with the Chicago Transit Authority read as follows:

(Sub)Exhibit "E".
(To Intergovernmental Agreement With
Chicago Transit Authority)

T.I.F.-Funded Improvements.

Costs of Construction of Public Works or Improvements	\$42,350,000
---	--------------

The Commissioner shall have discretion to identify other categories of T.I.F.-eligible costs as T.I.F.-Funded Improvements that may be paid for from City Funds, subject to the \$42,350,000 maximum contribution.

(Sub)Exhibit "T".
(To Intergovernmental Agreement With
Chicago Transit Authority)

Permitted Liens.

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

(Sub)Exhibit "L".
(To Intergovernmental Agreement With
Chicago Transit Authority)

D.B.E. Budget.

Item	Description	Amount
Project Hard Costs		\$71,773,903
Project Soft Costs		4,152,732
TOTAL PROJECT PRELIMINARY BUDGET:		\$75,926,675

Note: The D.B.E. Budget is only an estimate of the C.T.A. allocable portion of the Below Grade Improvements and subject to change. D.B.E. participation shall be based on final actual costs.

(Sub)Exhibit "O".
(To Intergovernmental Agreement With
Chicago Transit Authority)

Description Of The C.T.A.'s Self-Insurance Program.

As of the effective date, C.T.A.'s self-insurance program is as follows:

C.T.A. currently self-insures its general liability and auto liability exposures through a damage reserve fund.

Each year C.T.A.'s budget sets forth a reserve amount for its self-insurance program. In 2004, Twenty-three Million Dollars (\$23,000,000) was reserved.

C.T.A. also participates in an excess insurance program with the Regional Transportation Authority (the "R.T.A."). The R.T.A. has periodically purchased claims-made excess insurance policies from American International Group, Inc. ("A.I.G.") for specific periods and in specific amounts. C.T.A., among others, is listed as an additional insured on the R.T.A.'s policies with A.I.G.. Each such policy covers commercial auto, general liability and ("F.E.L.A.") losses.

The R.T.A. purchased the following policies covering the following described periods since 1993:

1. Effective period: November 15, 1993 -- November 14, 2002. Original aggregate policy of Forty-five Million Dollars (\$45,000,000). Later in the term an additional purchase of Thirty Million Dollars (\$30,000,000) was made. There was a Five Million Dollar (\$5,000,000) self-insurance retention per occurrence.
2. Effective period: November 15, 2002 -- November 14, 2003. Twenty-five Million Dollar (\$25,000,000) aggregate policy with Twenty-five Million Dollar (\$25,000,000) self-insurance retention per occurrence.
3. Effective period: November 15, 2003 -- November 14, 2004. Thirty-five Million Dollar (\$35,000,000) aggregate policy with Fifteen Million Dollar

(\$15,000,000) self-insurance retention per occurrence. This policy was extended through November 14, 2005 with no additional aggregate.

(Sub)Exhibit "P".
(To Intergovernmental Agreement With
Chicago Transit Authority)

Fee And Other Waivers For C.T.A.
(If Applicable To This Project)

Department Of Buildings.

Waiver of Plan Review, Permit and Inspection Fees:

Building Permit:

Zoning.

Construction/Architectural/Structural.

Internal Plumbing.

H.V.A.C.

Water for Construction.

Smoke Abatement.

Building Permit (as may be required for relocating train berthing locations).

Certificate of Occupancy.

Demolition Permit.

Electrical Permit (Service and Wiring).

Elevator Permit (as applicable).

Inspections.

Fencing.

Slurry Walls.

Department Of Construction And Permits (D.C.A.P.).

Building Permit.

Department Of Environment.

Demolition/Renovation Notice of Intent (Asbestos Abatement or Encapsulation).

Hazardous or Special Waste Disposal.

Fire Department.

Fire Protection Systems (Evacuation Plan).

Mayor's Office For People With Disabilities.

Impact Fees.

Department Of Revenue.

Use of the Public Way.

Vaulted Sidewalk Modifications.

Parking Meter Impacts.

Department Of Transportation.

Bureau of Inspections -- Office of Underground Coordination.

Deep Foundation Review.

Freight Tunnel Modification Approval.

Traffic Control.

Street Openings.

Use of the Public Way.

Driving (or Driveway).

City Installations (curbs, walks, parkways, landscaping, and street and alley lighting).

Temporary Pedestrian Construction Canopies.

Department Of Streets And Sanitation.

Street Lighting.

Traffic Signals.

Department Of Water Management (Sewer And Water).

Sewers:

Connection for New Track Drainage.

Pumping Water from the Existing Freight Tunnel (coordinate with M.W.R.D.G.C.).

Dewatering during Subway Tunnel Construction (coordinate with M.W.R.D.G.C.).

Inspections.

Sealing.

Water:

Service Connection -- Taps.

Cure and Seal Fees.

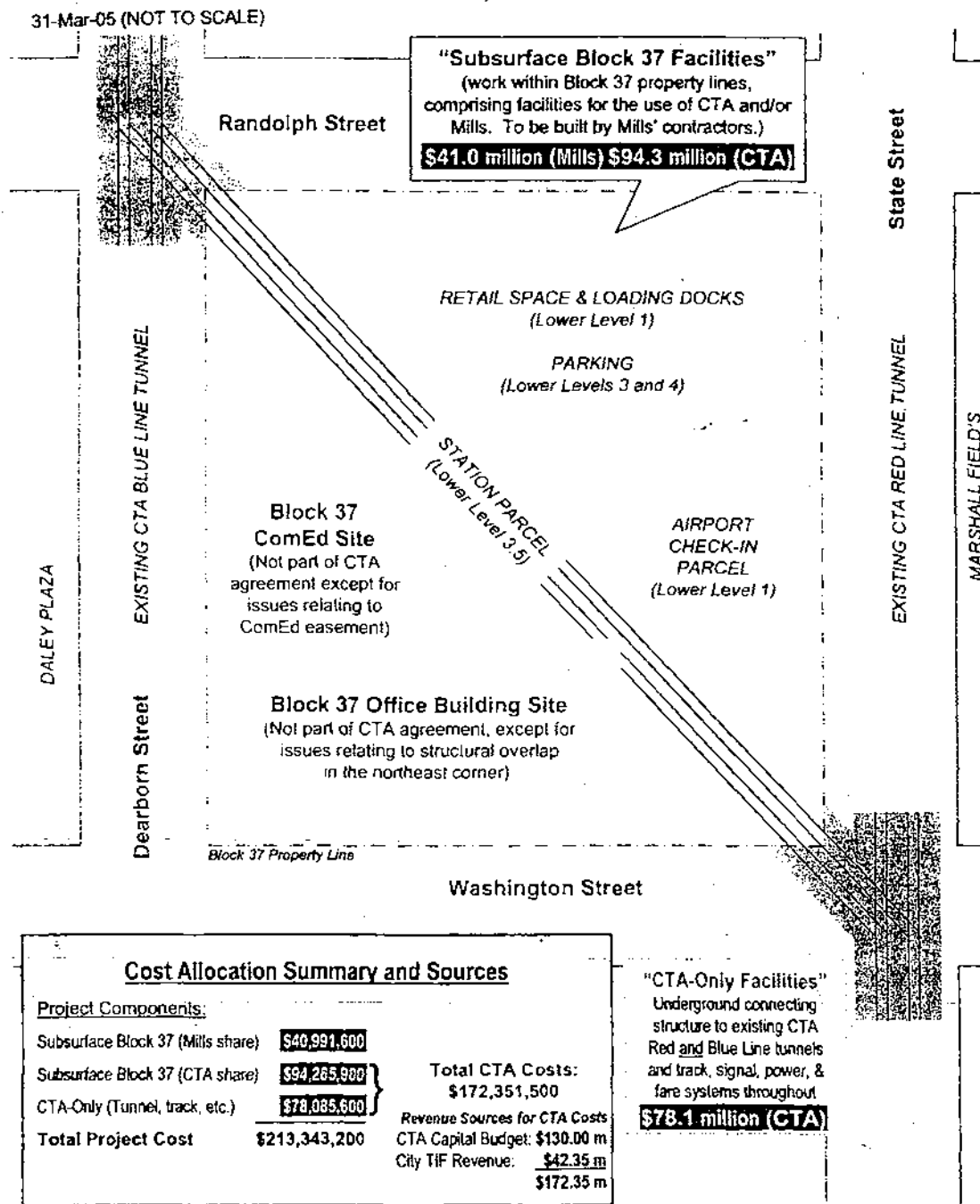
Water for Construction.

Note: Fees to purchase B-Boxes and remote read-outs are not waived.

*(Sub)Exhibit "C".
(To Intergovernmental Agreement With
Chicago Transit Authority)*

Mills/C.T.A. Development Agreement.

Spatial Relationship Of Project Components And Cost Allocation.



(Sub)Exhibit "D".
 (To Intergovernmental Agreement With
 Chicago Transit Authority)
 (Page 1 of 13)

Summary Of Preliminary Project Budget.
All Below-Grade Levels Of The Development Project.
Revised 1 April 2005/Printed 1 April 2005.

ITEM DESCRIPTION	Estimate Date:	MILLS	CTA	COMBINED
		SHARE	SHARE	TOTAL
		4-Sep-03	4-Sep-03	4-Sep-03
Section I: MILLS + CTA - Subsurface Block 37 Facilities (work within Block 37 property lines, to be performed by mills only)				
CSI 1 GENERAL REQUIREMENTS		0	0	0
CSI 2 SITE CONSTRUCTION		10,240,055	13,663,341	23,903,396
CSI 3 CONCRETE		5,589,897	7,231,446	12,801,343
CSI 4 MASONRY		615,926	1,059,596	1,675,522
CSI 5 METALS		692,489	3,630,161	4,322,660
CSI 6 WOOD & PLASTICS		97,457	49,027	146,484
CSI 7 THERMAL & MOISTURE PROTECTION		182,223	49,453	231,676
CSI 8 DOORS & WINDOWS		391,920	3,957,740	4,349,660
CSI 9 FINISHES		1,076,596	3,417,937	4,494,533
CSI 10 SPECIALTIES		27,345	1,008,000	1,035,345
CSI 11 EQUIPMENT		332,000	8,000	340,000
CSI 12 FURNISHINGS		0	252,000	252,000
CSI 13 SPECIAL CONSTRUCTION		0	0	0
CSI 14 CONVEYING SYSTEMS		456,000	3,174,000	3,630,000
CSI 15 MECHANICAL		3,604,699	3,897,901	7,502,600
CSI 16 ELECTRICAL		1,866,584	5,222,100	7,088,684
1 Total Direct Construction Cost		25,153,201	46,620,702	71,773,903
2 Escalation (one year @ 3.5%/yr)		880,362	1,631,725	2,512,087
3 Total Direct Construction Cost With Escalation		26,033,563	48,252,427	74,285,990
4 Contractor's General Conditions		1,411,019	2,615,282	4,026,301
5 General Contractor's Insurance		234,302	434,272	668,574
6 General Contractor's Bond		164,011	303,990	468,001
7 Construction Contingency		2,613,119	4,843,336	7,456,455
8 General Contractor's Fee		835,287	1,548,179	2,383,466
9 Total Hard Costs (Construction Bid Price, lines 3+4+5+6+7+8)		31,291,301	57,997,486	89,288,787
10 Project Soft Costs		8,683,336	16,094,302	24,777,638
11 CTA Special Soft Costs		0	1,159,950	1,159,950
12 Project Contingency/Reserve		1,016,967	1,884,918	2,901,885
13 Total Mills Project Prelim. Budget (lines 9+10+11+12)		40,991,604	77,135,655	118,128,260
Deferred Construction Payment			17,129,200	17,129,200
Total Budget for Section I		40,991,604	94,265,855	135,257,460
SUBTOTAL, MILLS + CTA				135,257,460
Section II: CTA ONLY - Connection Tunnels, Track Work, and Civil Work Blue and Red Line Tunnels Connection to Block 37 and Platform Restoration (work outside of Block 37 property lines, to be performed by CTA only)				
Section III: CTA ONLY - Fare Collection Equipment (work within Block 37 property lines, to be performed by CTA only)				
Section IV: CTA ONLY - Signal and Power Route Interconnection between Red Line and Blue Line (work inside and outside of Block 37 property lines, to be performed by CTA only)				
SUBTOTAL, CTA ONLY (Sections II, III, and IV)		0	78,085,719	78,085,719
GRAND TOTAL		40,991,604	172,351,475	213,343,179

(Sub)Exhibit "D".
(To Intergovernmental Agreement With
Chicago Transit Authority)
(Page 2 of 13)

**Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).**

ITEM NO	DESCRIPTION <i>Note - Facilities for CBS are excluded</i>	QTY	UNIT	UNIT COST (Est. by Mills) Incl Subs OH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances Mills C-CTA Shared	Cost Sharing Basis (Prop-SF, Vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
SUBSURFACE BLOCK 37 FACILITIES <i>(work within Block 37 property lines, to be performed by Mills only)</i>											
1	GENERAL ITEMS										
1.5	TRAFFIC CONTROL (CITY STREETS) FOR MILLS WORK	12	MO	35,720		\$	%	50%		214,320	214,320
1.6	PROTECTED PEDESTRIAN WALKWAYS W/ CANOPIES	1	LS	415,115		\$	%	50%		207,558	207,558
1.9	PROTECT ENTRANCES TO STATE STREET	3	LS	20,000		\$	%	50%		30,000	30,000
1.10	TEMPORARY ENTRANCE TO SUBWAYS - RED AND BL	4	LS	10,000		\$	%	50%		20,000	20,000
	SUBTOTAL									471,878	471,878
2	SITE WORK										
2.1	SITE DEMO (Incl. Vaulted Sidewalks and Pedway)	1	LS	300,000		\$	% Site: All agreed this is Global Item	50%	50%	150,000	150,000
2.1A	LANDSCAPE & SITE FURNITURE ALLOWANCE	1	ALLOW	250,000		?	% Site: All agreed this is Global Item	100%	0%	250,000	0
2.1B	SITE LIGHTING	1	ALLOW	50,000		?	% Site: All agreed this is Global Item	100%	0%	50,000	0
2.1C	RELOCATE UTILITIES & STREET REPAIR @ RANDOLPH	1	LS	1,500,000		C	% Site %	0%	100%	0	1,500,000
2.1D	CURB & GUTTER	1,655	LF	15		?	% Site %	100%	0%	24,825	0
2.1E	SIDEWALKS	22,020	SF	12		?	% Site %	100%	0%	264,240	0
2.1F	PAVEMENT PATCHING-MISC	4,005	SY	50		?	% Site %	100%	0%	200,250	0
2.1G	REBUILD ALLEY @ COMMED	1	300 SY	55		?	% Site %	100%	0%	16,500	0
2.1H	CONCRETE PAVING	1	180 SY	55		?	% Site %	100%	0%	10,450	0
2.1I	PEDESTAL CLOSURE	1	LS	10,000		S	% Pedway %	88%	12%	8,800	1,200
2.1J	VAULTED WALK WORK - FILL IN (2 SIDES TO BE FILLED IN)	2	LS	90,775		S	% Site %	100%	0%	181,550	0
2.1K	SITE UTILITIES STUBS	1	ALLOW	300,000		S	% Site: All agreed this is Global Item	100%	0%	300,000	0
2.1M	RELOCATE TRAFFIC SIGNALS	1	ALLOW	300,000		S	% Site: All agreed this is Global Item	100%	0%	300,000	0
2.1N	STREET LIGHTING	1	ALLOW	700,000		S	% Site: All agreed this is Global Item	100%	0%	700,000	0
2.2	CONCRETE FOUNDATION REMOVAL	1	ALLOW	1,000,000		S	%	50%	50%	500,000	500,000

(Sub)Exhibit "D".
(To Intergovernmental Agreement With
Chicago Transit Authority)
(Page 3 of 13)

**Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).**

NO	ITEM DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills) Incl Subs OH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances Mills/C-CTA S-Shared	Cost Sharing Basis (area-SF, vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
<i>Note - Facilities for CBS are excluded</i>											
2.3	EXISTING PEDWAY TUNNEL REMOVAL	614	CY	84		S	Pedway %	86%	12%	45,367	6,199
2.5	TEMPORARY HAIL ROAD	1	LS	40,000		S	%	50%	50%	20,000	20,000
2.6	REMOVE EXISTING STAIRS AT RED AND BLUE ENTR	2	ALLOW	20,000		S	Pedway %	86%	12%	35,200	4,800
	SUBTOTAL									3,057,202	2,152,199
5 EXCAVATION & BACKFILL											
5.2	EXCAVATION										
5.2.1	0 TO -1 OPEN CUT	57,020	CY	21		S	volume	75%	25%	898,085	299,355
5.2.1A	0 TO -1 OPEN CUT - Addl cost for breaking up concrete (in item 5.2.1) at Mergs	14,265	CY	5		S	volume	75%	25%	53,456	17,819
5.2.1.1	0 TO -1 TOP DOWN	16,555	CY	30		S	% extra CY, & premium	50%	50%	248,325	248,325
5.2.1.2	-1 TO -3 TOP DOWN	58,205	CY	30		S	% extra CY, & premium	25%	75%	436,538	1,309,613
5.2.1.3	-3 TO -4 TOP DOWN	54,335	CY	40		C		0%	100%	0	2,173,400
5.2.1.4	EXCAVATION BELOW STATE & RANDOLPH	7,220	CY	40		C		0%	100%	0	283,800
5.2.2	STRUCTURAL EXCAVATION (CAISSON CAPS)	592	CY	40		S	each	55%	45%	13,024	10,656
5.2.3	TOP DOWN EXCAVATION VENTILATION	1	ALLOW	200,000		C		0%	100%	0	200,000
5.2.4	SLAB ON GRADE STONE	2,145	CY	35		S	sf	62%	38%	46,547	26,529
5.2.5	PROBING & OBSTRUCTION REMOVAL (for Slurry Wall)	1	LS	100,000		S	sf	50%	50%	50,000	50,000
5.2.6	STREET CLEANING	12	MO	20,560		S	%	50%	50%	123,960	123,960
5.2.7	SETTLEMENT & VIBRATION MONITORING	12	MO	40,000		S	location of work	30%	70%	144,000	336,000
5.2.8	WINTER CONDITIONS	1	ALLOW	200,000		S	%	50%	50%	100,000	100,000
5.2.9	OBSTRUCTION ALLOWANCE	1	ALLOW	200,000		S	sf	62%	38%	124,000	76,000
5.3	3DD SLURRY WALL	1	LS	7,740,000		S	If of wall + premium for slurry wall	Mills fixed 3.34 mil/sf	50% & 5.3DD	3,340,000	6,655,500

Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).

ITEM NO	DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills) Incl Subs OH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances MeMills C=CTA S=Shared	Cost Sharing Basis (area-SF, vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
5.30D2	ADD'L SLURRY WALL AT CBS	1	LS	1,040,000		S	see #5.30D per JB = cost of new Ret Wall, \$ allocated to CBS	see #5.30D	see #5.30D		
5.30D3	DELETE SLURRY WALL AT CBS - West & South Sides	1	LS	-1,220,000		S				-684,250	-535,750
5.30	SLURRY WALL CONCRETE CAP WALL	1,105	CY	1,100		S	see #5.30D	see #5.30D	see #5.30D		
5.4	DRAINAGE PUMPS	1	LS	328,800		S	exc depth	10%	90%	32,680	294,120
5.5	ADDITIONAL SHEETPILE, ETC. COSTS AT STATE ST	1	LS	597,800		C		0%	100%	0	597,800
	SUBTOTAL									4,926,345	12,268,127
6	CONCRETE - STRUCTURAL										
6.1	CONCRETE SLAB FOUNDATION (Under Tracks)	5,800	CY		300	C		0%	100%	0	1,740,000
6.1A	EXCAVATION & HAUL OFF FOR SLAB FOUNDATION	5,800	CY	45		C		0%	100%	0	261,000
6.2	CONCRETE PLATFORM STEM WALLS	373	CY		630	C		0%	100%	0	234,990
6.3	CONCRETE PLATFORMS (Canal/over)	416	CY		720	C		0%	100%	0	299,520
6.6	CONCRETE DEEP FOUNDATIONS	111	EA	19,500		S	End %	94%	6%	2,034,630	129,870
6.7	CONCRETE COLUMNS	450	CY	1,000		S	End %	94%	6%	423,000	27,000
6.8	CONCRETE CAISSON CAPS	444	CY	600		S	End %	94%	6%	250,416	15,984
6.11A	CMU HEAD CLIP ANGLES	1	LS	33,550		C		0%	100%	0	33,550
6.12	PARKING AREAS (CMU)	2,325	SF	10		M		100%	0%	23,250	0
6.13	LOADING DOCKS (CMU)	4,500	SF	14		S	CTA 2 docks of 10; to be further reviewed	80%	20%	50,400	12,600
6.14	LOADING/ PARKING RAMP	95	CY	600		S	CTA 2 docks of 10; to be further reviewed, Ramps	90%	10%	51,300	5,700
6.15	EXIT CORRIDORS (TRACK LEVEL)		SF			C	100% Mills	0%	100%	0	0
6.16	BUILDING STRUCTURE BEYOND PLATFORM (TRACK LEVEL)		SF			C		0%	100%	0	0
6.17	PEDESTAL LEVEL BUILDOUT (EXCEPT AES FINISHES)		SF			C		0%	100%	0	0
6.20	STEEL TRANSFER GIRDERS (Cost of Premium)	650	TON	2,750		C	CTA Premium	0%	100%	0	1,787,500
6.21	CONCRETE ENCASE GIRDERS (Cost of Premium)	765	CY	1,200		C	CTA Premium	0%	100%	0	918,000
	SUBTOTAL									2,832,996	5,465,814

Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).

ITEM NO	DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills) OH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances MeMills C-CTA S-Shared	Cost Sharing Basis (area-SF, vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
<i>Note - Facilities for CBS are excluded</i>											
7.1	ENCLOSURE	W/ # 8.1	SF								
7.2	ARCH FINISHES	5,900	SF of Fir			10	C	0%	100%	0	59,000
7.3	MECHANICAL SYSTEM	5,900	SF of Fir			14	C	0%	100%	0	82,600
7.4	ELECTRICAL SYSTEM	5,900	SF of Fir			38	C	0%	100%	0	224,200
7.5	COMMUNICATION SYSTEM	5,900	SF of Fir			23	C	0%	100%	0	135,700
7.6	PLUMBING	5,900	SF of Fir			14	C	0%	100%	0	82,600
7.7	FIRE PROTECTION	5,900	SF of Fir			5	C	0%	100%	0	29,500
	SUBTOTAL									0	613,600
8 PLATFORM - Architectural Work											
8.1	PLATFORM TERRAZZO (SAND CUSHION) - Psgr Area	16,680	Fir SF			25	C	0%	100%	0	417,000
8.1.1	TEMPORARY SAFETY RAILS	1,955	LF	6			C	0%	100%	0	11,190
8.1.2	CMU PARTITIONS AT PLATFORM LEVEL	25,536	Wd SF	12			C	0%	100%	0	306,432
8.1.3	PERIMETER & WALLS IN FRONT OF SLURRY WALL	24,895	Wd SF	12			C	0%	100%	0	298,620
8.1.4	MISC METALS	1	LS	54,770			C	0%	100%	0	54,770
8.1.5	DOORS FRAMES & HARDWARE	45	EA	1,400			C	0%	100%	0	63,000
8.1.6	TOILET PARTITIONS AND ACCESSORIES	1	LS		20,000		C	0%	100%	0	20,000
8.2	FINISHED CEILING (Glass Fiber Reinforced Concrete)	22,026	Cing SF			50	C	0%	100%	0	1,101,300
8.2.1	HORIZONTAL FIRE CURTAIN		SF				C	0%	100%	0	
8.3	PLATFORM WALL FINISHES Terrazzo Tile or Finished Pl	12,584	SF			30	C	0%	100%	0	377,520
8.4	EMERGENCY REFUGE AREA (Stairs Track Level to Plat	6	EA		4,300		C	0%	100%	0	25,800
8.5	ELECTRICAL LIGHTING (Mills has base service)	22,026	Cing SF			56	C	0%	100%	0	1,233,456
8.6	COMMUNICATIONS (PA, PHONE)	16,680	Fir SF			34	C	0%	100%	0	567,120
8.7	SIGNS (FIXED) (PREMIUM)	125	EA			320	C	0%	100%	0	40,000
8.8	AUDIO-VISUAL SIGN PACKAGE	15	EA			50,000	C	0%	100%	0	750,000
(4 STREET LEVEL, 5 PED LEVEL, 6 PLATFORM = 15 TOTAL)											
8.10	LCD TRAIN INFO, DISPLAY SYS (TIDSI AT PLTFM LEV	3	EA			40,000	C	0%	100%	0	120,000
8.11	PLATFORM EDGE DOORS SYSTEM (GLASS W/ SS M	22,880	SF			160	C	0%	100%	0	3,660,800
8.12	PREMIUM PLATFORM AMENITIES (FTT) PRICE	1	LS		252,000		C	0%	100%	0	252,000
8.13	CUSTOMER ASSISTANCE OFFICES	WITH ITEMS 7.2-7.7, 8.1, 8.3, 8.5, 8.6, 8.15									
8.14	SMOKE EXHAUST SYSTEM	WITH ITEM 8.15									
MECHANICAL (PLBG, TOILETS, BASEBOARD											
8.15	RADIANT HTG. See also items 15.7, 15.8	16,680	Fir SF			31	C	0%	100%	0	517,080
8.16	MECH SYS - POSITIVE PRESSURE, BIGGER BLOWER	1	LS			445,000	C	0%	100%	0	445,000

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Project Budget: Subsurface Block 37 Facilities (Preliminary).*

ITEM NO	DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills)	UNIT COST (Est. by CTA)	Cost Allowances	Cost Sharing Basis	Mills %	CTA %	Mills Share	CTA Share
Note: Facilities for CBS are excluded											
8. A BAGGAGE AREA (at Platform Level) (All 3 platforms)											
				Incl Sube DH&P	Incl Sube	M-Mills	C-CTA	S-Shared	(area-SF vol-CY etc)		
8.A.1a	ARCHITECTURAL - BLOCKWALL	2,440	SF				13	C		0%	31,720
8.A.1b	ARCHITECTURAL - FLOOR	4,692	SF of Flr				3	C		0%	14,076
8.A.1c	CLIP ANGLES	1	LS				6,000	C		0%	6,000
8.A.2	ELECTRICAL (Tenant Hookup)	4,692	SF of Flr				6	C		0%	28,152
8.A.3	MECHANICAL (Tenant Hookup)	4,692	SF of Flr				8	C		0%	37,536
8.A.4	COMMUNICATIONS (PA)	4,692	SF of Flr				23	C		0%	107,916
8.A.5	SAFETY DOORS (DOUBLE DOORS), SS, ELEC OPERA	2	PR				12,000	C		0%	24,000
	SUBTOTAL									0	249,400
11. STAIRS (22' Rise)											
11.1	STAIRS: PLATFORM TO PED LEVEL (Tenniszoo)	2	EA				82,000	C		0%	124,000
11.2	PLATFORM EMERG. EXIT STAIRS TO STREET	8	EA				40,000	S		25%	80,000
11.3	BAGGAGE STAIR	1	EA				15,000	C		0%	15,000
11.3a	CREATE STAIRWELLS	1	LS								
11.4	RELOCATE STATE STREET STAIR W/ ENCLOSURE	1	EA				210,000	C		75%	334,550
	SUBTOTAL									0	210,000
										191,550	923,650
12. PASSENGER ELEVATORS (22' Rise)											
12.1	PASSENGER ELEVATORS - PEDWAY TO PLATFORM	4	EA				200,000	C		0%	800,000
12.2	RELOCATE PASS. ELEV. W/ ENCLOSURE (STATE STR)	1	EA				400,000	C		0%	400,000
12.2a	SHAFTS & PITS	1	LS				174,600	C		0%	174,600
12.3	GLASS ELEVATOR (PLATFORM TO PEDWAY) (GENITE)	2	EA				420,000	C		0%	840,000
12.3a	SHAFTS & PITS (INCLUDING GLASS ENCLOSURE)	1	LS				163,840	C		0%	163,840
	SUBTOTAL									0	2,398,440
13. FREIGHT ELEVATORS (22' Rise)											
13.1	FREIGHT ELEVATORS	1	EA				0	C		0%	0
13.1a	SHAFTS & PITS (INCLUDING GLASS ENCLOSURE)	1	LS				42,300	C		0%	42,300
	SUBTOTAL									0	42,300
14. ESCALATORS											

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NO	DESCRIPTION <i>Note: Facilities for CBS are excluded</i>										
14.1	PLATFORM ESCALATORS (TRANSIT GRADE) (22' Rise PITS, ETC	6	EA		225,000	C		0%	100%	0	1,350,000
		1	EA	40,000		C		0%	100%	0	40,000
14.2	ESCALATORS (SHARED WITH DEVELOPMENT) (20' Rise)	2	EA		250,000	S	Pedway %	85%	12%	440,000	60,000
	SUBTOTAL									440,000	1,450,000
15	PLATFORM UTILITIES										
15.1	AGGREGATE SUBGRADE	1,700	CY			35		0%	100%	0	51,200
15.2	UNDERDRAIN FABRIC WRAPPED, 6"	1,020	LF			24		0%	100%	0	24,480
15.3	SUMP PUMP AND PIT (COMPLETE)	2	EA		12,000	C		0%	100%	0	24,000
15.4	TRACK DRAINAGE INLETS	20	EA		300	C		0%	100%	0	6,000
15.5	CONDUIT DUCTS - CTA SIGNAL PACK	540	LF		600	C		0%	100%	0	324,000
15.6	CONDUIT DUCTS CONCRETE ENCASED - COMED PA	580	LF					0%	100%	0	
15.7	VENTILATION DUCTS, BLOWERS AND VENTS	1	LS		50,000	C		0%	100%	0	50,000
15.8	UNDER PLATFORM EXHAUST PLENUM	2,120	LF		275	C		0%	100%	0	583,000
15.9	UNDER PLATFORM EXHAUST VARIABLE DRIVE BLOW	8	EA		7,000	C		0%	100%	0	56,000
15.10	FIRE SHUTTERS, GALVANIZED STEEL (1 PER TRACK)	4	EA		25,000	C		0%	100%	0	100,000
15.12	FIRE DOOR (MAN DOOR), STAINLESS STEEL	8	EA		8,000	C		0%	100%	0	64,000
	SUBTOTAL							0%		0	1,292,680
16	OTHER EQUIPMENT										
16.7	TEMPORARY PLUG (Future Baggage Conveyor Opening)	1	LS	10,000		C		0%	100%	0	10,000
	SUBTOTAL									0	10,000
17	SECURITY/ SAFETY SYSTEMS										
17.2	SPRINKLER SYSTEM AT PEDWAY TIE-IN	7,500	SF		1.75	S	Pedway %	85%	12%	11,550	1,575
	(PLATFORM LEVEL MECH RMS SPRINKLERS IN ITEM 7.7)										
17.3	SMOKE/FIRE INTRUSION DETECTION SYSTEM TIE-IN	59,000	SF		1.75	C		0%	100%	0	120,750
17.4	IBO/CHEMICAL RADIATION DETECTION SYSTEM	1	LS		0						
17.5	SECURITY VIDEO SYSTEM LOWER LEVEL ONLY	1	LS		500,000	C		0%	100%	0	500,000
17.7	OTHER P.A. SYSTEM With Items 7.5, 8.3, 8.4.4	1	LS					0%	0%	0	0
17.8	HORIZONTAL FIRE SHUTTER AT ATRIUM OPENING	1	LS		800,000	C		0%	100%	0	800,000
17.9	FIRE COMMAND CENTER PER CBC	1	LS		200,000	C		0%	100%	0	200,000
17.10	STARWELL REMOTE LOCKING/UNLOCKING IDENTIF	20	Doors		2,000	C		0%	100%	0	40,000
	SUBTOTAL									11,550	1,592,325

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Project Budget: Subsurface Block 37 Facilities (Preliminary).*

ITEM NO	DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills) Incl Subs DH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances M-Mills C-CTA S-Shared	Cost Sharing Basis (area-SF, vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
<i>Note: Facilities for CBS are excluded</i>											
18.1 BUILDING STRUCTURAL SYSTEMS											
18.1.1	SLAB ON GRADE	1,600	CY	425		S	area SF	80%	20%	544,000	136,000
18.1.2	STRUCTURAL SLAB-GROUND SUSPENDED (at Street)	3,110	CY	700		S	End % area SF	94%	6%	2,046,380	130,620
18.1.3	STRUCTURAL SLAB -1	2,313	CY	700		S	includes some premium area SF	55%	45%	890,505	728,595
18.1.4	PAN SLAB OVER CTA	1,884	CY	700		S	includes some premium area SF	37%	63%	436,158	743,644
18.1.5	STRUCTURAL SLAB .3	2,715	CY	800		S	some premium	40%	60%	868,800	1,303,200
18.1.6	DOUBLE SLAB AT EXTERIOR WALKS	215	CY	550		C	%	0%	100%	0	118,250
18.1.7	MISC CONCRETE	1	ALLOW	75,000		S		50%	50%	37,500	37,500
18.1.8	REBAR CONNECTIONS TO SLURRY WALLS & CAISSON	1	LS	353,240		C		0%	100%	0	353,240
18.1.9	EXPANSION CONTROL	1	ALLOW	75,000		S		75%	25%	56,250	18,750
18.1.10	LOADING DOCK CONCRETE	42	CY	650		S	CTA 2 docks of 10; to be further reviewed	80%	20%	21,840	5,480
18.1.11	LOADING DOCK METALS	1	LS	27,350		S	CTA 2 docks of 10; to be further reviewed	80%	20%	21,880	5,470
18.15 ARCHITECTURAL SYSTEMS											
18.15.02	STAIR & ELEVATOR (CMU partitions)	8,500	SF	10		M		100%	0%	85,000	0
18.15.03	GROCERY & RETAIL (CMU partitions)	20,200	Wall SF	10		M		100%	0%	202,000	0
18.15.04	DOCK OFFICE & PUMP ROOMS	4,875	SF	10		S	CTA 2 docks of 10; to be further reviewed. Pumping due to CTA	62%	38%	30,225	18,525
18.15.05	OFFICE PARKING, BACK OF HOUSE CORRIDOR	15,895	Wall SF	10		S	Bk of Hse %	80%	20%	127,160	31,790
18.15.06	MISC METALS	1	LS	107,950		S	%	80%	20%	86,360	21,590
18.15.07	PERIMETER & OPENING PROTECTION	7,035	LF	8		S	%	50%	50%	21,105	21,105
18.15.08	NON CTA STAIRS	10	FLT	9,500		M		100%	0%	95,000	0
18.15.09	ROUGH CARPENTRY	285,225	SF	0.15		S		75%	25%	File Gen 38/2558 C/PM	10,696

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**Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).**

ITEM NO	DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills) Incl Subs OH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances M-Mills C-CTA S-Shared	Cost Sharing Basis (area-SF, vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
<i>Note - Facilities for CBS are excluded</i>											
18.15.10	SLAB WATERPROOFING OVER LL'S	11,625	SF	6		S		62%	38%	43,245	26,503
18.15.11	DECK COATING OVER OCCUPIED SPACES	10,800	SF	4		S		90%	10%	38,880	4,320
18.15.12	PENETRATING SEALER AT PARKING SLABS	124,870	SF	0.45		M		100%	0%	56,192	0
18.15.13	CAULKING & SEALANTS	285,225	SF	0.15		S		62%	38%	26,528	16,258
18.15.14	DOORS FRAMES & HARDWARE - Lower Level Core										
18.15.15	PARKING	40	EA	1,400		M		100%	0%	56,000	0
18.15.15a	DOORS FRAMES & HARDWARE - WEST EXPANSION	12	EA	1,400		S	%	50%	50%	8,400	8,400
18.15.16	HOTEL	4	EA	1,400		M		100%	0%	5,600	0
18.15.17	RESIDENTIAL	4	EA	1,400		M		100%	0%	5,600	0
18.15.18	OFFICE	17	EA	1,400		M		100%	0%	23,800	0
18.15.19	OVERHEAD (NOT HIGH SPEED) DOORS TO PARKING	2	EA	20,000		S	CTA 2 docks of 10, to be further reviewed. Parking 100% Mills	90%	10%	36,000	4,000
18.15.20	FINISH ALLOWANCES										
18.15.21	GROCERY	20,020	SF	0		M		100%	0%	0	0
18.15.22	RETAIL	5,220	SF	0		M		100%	0%	0	0
18.15.23	TOWER CORE	2,300	SF	0		M		100%	0%	0	0
18.15.24	BACK OF HOUSE	46,610	SF	10.50		S	Bk of Hse % CTA 2 docks of 10, to be further reviewed.	80%	20%	381,524	97,881
18.15.25	LOADING DOCK	24,310	SF	1.40		S		80%	20%	27,227	6,807
18.15.26	PARKING	105,380	SF	1.40		M		100%	0%	147,532	0
18.15.27	ACOUSTIC CEILINGS (Dock Office and Service Corridor)	3,500	SF	2.75		S	%	80%	20%	7,700	1,925
18.15.28	STRIPING	208	EA	27		M		100%	0%	5,616	0
18.15.29	PARKING SIGNAGE	105,380	SF	0.25		M		100%	0%	26,345	0
18.15.30	TOILET ACCESSORIES, DOCK OFFICE	1	LS	1,000		M		100%	0%	1,000	0
18.15.31	PARKING EQUIPMENT	1	ALLOW	50,000		M		100%	0%	50,000	0
18.15.32	LOADING DOCK EQUIPMENT	1	ALLOW	40,000		S	CTA 2 docks of 10, to be further reviewed.	80%	20%	32,000	8,000
18.15.33	SIGNS & GRAPHICS	1	LS	250,000		M		100%	0%	250,000	0
18.2	BUILDING ELECTRICAL SYSTEMS										
18.2.1	SECURITY SYSTEM	1	ALLOW	25,000		M		100%	0%	25,000	0

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ITEM	DESCRIPTION	QTY	UNIT	UNIT COST (Est. by Mills) Incl Subs OH&P	UNIT COST (Est. by CTA) Incl Subs OH&P	Cost Allow- ances M-Mills C-CTA S-Shared	Cost Sharing Basis (area-SF vol-CY etc)	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
<i>Note - Facilities for CBS are excluded</i>											
18.2.2	BASIC SYSTEM	285,225	SF	6		S	area SF	82%	38%	1,061,037	650,313
18.2.3	PARKING	105,380	SF	3.50		M		100%	0%	368,830	0
18.2.4	TOWER CORE	2,300	SF	10		M		100%	0%	23,000	0
18.2.5	BACK OF HOUSE	46,610	SF	5		S	Bk of Hse % CTA 2 docks of 10: to be further reviewed.	80%	20%	186,440	46,610
18.2.6	LOADING	24,310	SF	5		S					
18.2.7	GROCERY	0	SF			M		80%	20%	97,240	24,310
18.2.8	RETAIL	0	SF			M		100%	0%	0	0
18.3 BUILDING MECHANICAL SYSTEMS - HVAC											
18.3.1	BASIC SYSTEM	285,225	SF	6		S	area SF	82%	38%	884,198	541,928
18.3.1a	MAKE-UP AIR HANDLER	1	LS	50,000		C		0%	100%	0	50,000
18.3.2	PARKING	105,380	SF	3		M		100%	0%	316,140	0
18.3.3	TOWER CORE	2,300	SF	0		M		100%	0%	0	0
18.3.4	BACK OF HOUSE	46,610	SF	2		S	Bk of Hse % CTA 2 docks of 10: to be further reviewed.	80%	20%	74,576	18,644
18.3.5	LOADING	24,310	SF	8		S					
18.3.6	GROCERY	0	SF			M		80%	20%	155,584	38,896
18.3.7	RETAIL	0	SF			M		100%	0%	0	0
18.4 BUILDING PLUMBING & FIRE PROTECTION SYSTEMS											
18.4.1	BASIC SYSTEM-P	285,225	SF	3		S	area SF	82%	38%	530,519	325,157
18.4.2	PARKING	105,380	SF	4		M		100%	0%	421,520	0
18.4.3	TOWER CORE-P	2,300	SF	0		M		100%	0%	0	0
18.4.5	BACK OF HOUSE-P	46,610	SF	2		S	Bk of Hse % CTA 2 docks of 10: to be further reviewed.	80%	20%	74,576	18,644
18.4.6	LOADING-P	24,310	SF	6		S					
18.4.7	GROCERY-P	20,020	SF	3		M		80%	20%	155,584	38,896
18.4.8	RETAIL-P	5,220	SF	1		M		100%	0%	60,060	0
18.4.9	BASIC SYSTEM-FP	285,225	SF	1.75		S	area SF	82%	38%	309,469	189,675
18.4.10	PARKING	105,380	SF	1.35		M		100%	0%	142,263	0
18.4.11	TOWER CORE-FP	2,300	SF	0		M		100%	0%	0	0
18.4.12	BACK OF HOUSE-FP	46,610	SF	0.50		S	Bk of Hse %	80%	20%	18,644	4,661

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ITEM NO	DESCRIPTION <i>Note - Facilities for CTS are excluded</i>	QTY	UNIT	UNIT COST (Est. by Mills) Incl/ Sub OH&P	UNIT COST (Est. by CTA) Incl/ Sub OH&P	Cost Allow- ances M-Mills Cw-CTA S-Shared	Cost Sharing Basis (area-SF vol-CY etc) CTA 2 docks of 10; to be further reviewed.	Mills %	CTA %	Mills Share 9/4/2003	CTA Share 9/4/2003
18.4.13	LOADING-FP	24,310	SF	0.50		S		80%	20%	9,724	2,431
18.4.14	GROCERY-FP	20,020	SF	0		M		100%	0%	0	0
18.4.15	RETAIL-FP	5,220	SF	0		M		100%	0%	0	0
18.5	VERTICAL TRANSPORTATION (OTHER THAN #11, 12, 13, & 14)										
18.5.5	SERVICE CORRIDOR LIFTS, PITS, ETC	2	EA	40,000		S	% Mainly CTA use	20%	80%	16,000	64,000
	SUBTOTAL									11,777,060	5,871,565
19	PEDWAY LEVEL WORK										
19.1	FINISHES IN PEDWAY (PASSAGEWAY)										
19.1.1	PEDWAY FLOOR - TERRAZZO	7,260	SF	25		S	Pedway %	88%	12%	159,500	21,750
19.1.2	NORTH WALL MULLIONLESS GLASS STOREFRONT	4,620	SF	38		S	Pedway %	100%	0%	175,560	0
19.1.3	SOUTH WALL AT EAST END - SS PERFORATED PANEL	910	SF	30		S	Pedway %	88%	12%	24,024	3,276
19.1.4	SOUTH WALL AT WEST END - Terrazzo Tile or Plaster	1,400	SF	30		S	Pedway %	88%	12%	36,960	5,040
19.1.5	CEILING - Glass Fiber Reinforced Concrete	9,015	SF	19		S	Pedway %	88%	12%	150,731	20,554
19.1.6	TERRAZZO & STATION LINKS	1,560	SF	25		S	Pedway %	88%	12%	34,320	4,680
19.2	FINISHES IN LOBBY INCL. TICKETING AND BAGGAGE AREA										
19.2.1	FLOOR FINISHES IN LOBBY INCL. TICKETING AND BAGGAGE AREA										
19.2.1.1	LOBBY FLOOR - TERRAZZO	20,825	SF	25		C		0%	100%	0	520,625
19.2.1.2	TICKETING AREA FLOOR - CARPETING	7,985	SF			C		0%	100%	0	0
19.2.1.3	BAGGAGE AREA FLOOR - CONCRETE DRY SHAKE H&F	1,565	SF	2,20		C		0%	100%	0	3,443
19.2.2	WALL FINISHES IN LOBBY INCL. TICKETING AND BAGGAGE AREA										
19.2.2.1	LOBBY WALL - TERRAZZO TILE OR PLASTER	3,850	SF	30		C		0%	100%	0	115,500
19.2.2.2	LOBBY WALL AT LOBBY (P&M), TICKETG. & BAG AREA	4,200	SF	50		C		0%	100%	0	210,000
19.2.2.3	BAGGAGE AREA WALL - EPOXY PAINTED CMU	7,980	SF	2		C		0%	100%	0	15,960
	MISC METALS	1	LBS	25,000		C		0%	100%	0	25,000
19.2.3	CEILING FINISHES IN LOBBY INCL. TICKETING AND BAGGAGE AREA										
19.2.3.1	LOBBY CEILING - SS ACOUSTICAL PANELS	20,770	SF	20		C		0%	100%	0	415,400
19.2.3.2	TICKETING AREA CEILING - SUSPENDED CEMENT PL	3,825	SF	15		C		0%	100%	0	56,875
19.2.3.3	BAGGAGE AREA CEILING - SUSPENDED ACOUSTICAL TILE CEMENT-PLASTER	1,675	SF	5		C		0%	100%	0	8,375

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Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).

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*Mills/C.T.A. Term Sheet Block 37/108 North State Street Proposed
Project Budget: Subsurface Block 37 Facilities (Preliminary).*

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Chicago Transit Authority Capital Improvement Budget.
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2004 Capital Improvement Program Overview

CHICAGO TRANSIT AUTHORITY Proposed FY 2004- 2008 Capital Program

		all figures in '000				
Proj. #	Title	Funded	2004	2005-2008	5 Year Funding	Project Total
Bus Projects						
Rolling Stock						
021.803	Perform Bus Maintenance Activities	11,370	7,588	30,353	37,941	49,311
021.806	Perform Mid-Life Bus Overhaul	20,110	10,261	16,335	26,596	46,706
037.034	Replace Buses	<u>144,637</u>	<u>48,000</u>	<u>28,301</u>	<u>147,301</u>	<u>321,348</u>
	Sub-Total	196,113	65,849	145,989	211,838	491,265
Rail Projects						
Acquisitions & Extensions						
194.115	Expand Capacity - Brown Line	115,425	104,837	253,754	358,591	529,910
194.117	Rehabilitate Blue Line - Cermak Branch	221,833	97,500	163,346	260,846	482,679
194.139	Rehabilitate Red Line - Dan Ryan Branch	172,897	80,232	29,514	109,746	282,642
	Sub-Total	510,355	282,569	446,613	729,187	1,295,232
PW Electric, Signal, Comm.						
121.500	Replace/Upgrade Power Distribution and Signals	35,868	11,697	197,043	208,740	273,130
	Sub-Total	35,868	11,697	197,043	208,740	273,130
PW Track & Structure						
171.036	Renew Structure	14,670	6,562	0	6,562	21,232
171.133	Repair Track and Structure Defects	5,401	5,401	22,782	28,183	33,584
171.217	Replace Flange Angles	38,866	11,811	3,937	15,748	54,614
173.022	Rehab Purple Line Viaducts	8,635	816	10,215	11,032	19,666
181.500	Infrastructure Safety & Renewal Program	<u>60,216</u>	<u>7,178</u>	<u>46,306</u>	<u>53,483</u>	<u>138,311</u>
	Sub-Total	127,807	31,767	83,240	115,008	267,427
Rolling Stock						
022.903	Perform Rail Car Overhaul & Mid-Life Rehabilitation	29,086	29,150	144,087	173,237	306,596
022.906	Perform Rail Car Maintenance Activities	11,814	8,460	33,839	42,298	94,113
132.056	Purchase Rail Cars	47,956	0	497,441	497,441	501,183
	Sub-Total	88,856	37,610	675,366	712,976	1,407,388
Stations & Pass Facilities						
141.272	Design Rail Stations	15,387	0	4,154	4,154	41,729
141.273	Reconstruct Rail Stations	<u>18,382</u>	<u>134,389</u>	<u>56,223</u>	<u>230,563</u>	<u>458,315</u>
	Sub-Total	34,168	174,389	60,427	234,816	499,984
Systemwide Projects						
Miscellaneous						
052.018	Implement Control Center & SCADA Operational Sys. Projects	56,087	583	13,763	14,346	70,433
053.016	Systemwide Communication Upgrades	31,485	6,996	26,984	33,980	94,635
061.059	Implement Computer Systems	30,319	6,025	19,795	25,819	73,243
062.090	Replace Financial Systems & Corporate Time & Attendance	4,804	2,402	2,402	4,804	9,608
102.039	Implement Automated Fare Control (AFC) Projects	34,890	45,904	6,814	52,718	97,700
110.011	Improve Systemwide Signage Program	11,600	0	10,599	10,599	22,199
150.028	Implement Security Projects	12,259	4,025	23,158	27,183	39,442
303.001	Implement Quality Assurance Program	3,742	458	1,973	2,431	6,173
290.001	Land Acquisition	23,320	11,660	37,090	48,750	72,070
306.001	Program Management	12,664	4,664	18,636	23,320	35,984
402.001	Alternatives Analysis & P.E. - Oakes & Circle Line	399	2,915	9,512	12,427	12,827
307.001	Paratransit Service Capital Cost of Contracting	16,500	18,045	78,906	96,951	113,451
308.002	Bond Repayment, Interest Cost, & Finance Cost	0	0	88,667	88,667	332,500
	Sub-Total	238,069	103,676	338,318	441,994	980,264
Support Facilities & Equip.						
073.500	Improve Facilities - Systemwide	74,615	36,954	161,004	197,958	405,730
084.059	Purchase Equipment & Non-Revenue Vehicles	54,841	12,131	47,450	59,581	114,423
	Sub-Total	129,456	49,086	208,454	257,540	520,153
	Capital Total	1,350,693	756,643	2,155,452	2,912,094	5,734,843
	Marks		506,643	2,155,452	2,662,094	
	CTA Bond		250,000		250,000	
	Marks/Variance		0		0	

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Chicago Transit Authority Capital Improvement Budget.
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PROJECT: 141.273 **CATEGORY:** RAIL-STATIONS & PASSENGER FACILITIES

PROJECT TITLE: Reconstruct Rail Stations (Howard & Washington St. Stations)

DESCRIPTION/JUSTIFICATION:

The scope of this project is to reconstruct Howard Station on the Red Line; including reconstruction of the bus terminal and parking lot at Howard Station. In addition the project provides for the reconstruction of Wilson Station on the Red Line, construction of a multi-modal transportation stations located under Block 37 between Washington Stations on Blue and Red Lines; and rehabilitation of Granville Station on the Red (Howard) Line.

Wilson Station was constructed in 1900 and serves 5,100 passengers on a daily basis. Lawrence, Howard, and Granville Stations were constructed in the 1920's and have an average weekday ridership level of approximately 2,260, 6,150, and 3,120 passengers respectively. Granville Station was upgraded in 1978 to include an elevator for greater passenger access to and from the station platform. Main Street Station was constructed in 1919 and has a weekday average ridership of approximately 1,190 passengers. Due to the age, usage, and structural condition of these stations, replacement or rehabilitation is required in order to maintain a safe and acceptable level of service. Upon completion, the stations will be fully ADA compliant.

FINANCIAL SUMMARY:

GRANTS	EXPENDITURES					OBLIGATIONS	
			2004				
Funded	\$	18,781,666		\$	171,433,314	\$	171,433,314
Pending							
FY 2003		0	2005		0		0
FY 2004		171,433,314	2006		2,332,000		2,332,000
FY 2005		0	2007		0		0
FY 2006		2,332,000	2008		56,273,298		56,273,298
FY 2007		0	2009		0		0
FY 2008		56,273,298					
Total	\$	248,820,278		\$	230,038,612	\$	230,038,612
FY 2004-2008	\$	230,038,612					

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Chicago Transit Authority Capital Improvement Budget.
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PROJECT DESCRIPTION

CTA JOB ORDER # 9645
(141.273)

JOB TITLE: Reconstruct Rail Stations

LOCATION: WASHINGTON STATION-RED LINE & BLUE LINE (BLOCK 37)

A. SCOPE

The scope of this project will expand the Washington subway stations on both the Red and Blue Lines. Engineering and construction will be implemented to develop a multi-modal transportation station located under Block 37.

FY 2004 funding will provide for preliminary engineering of the reconstruction of two current subway stations and to support the effort towards a multi-modal transportation station located under Block 37.

B. JUSTIFICATION

Funds are required to rehabilitate and expand two subway stations and to support the effort towards a multi-modal transportation station located under Block 37, between the Washington Stations on Blue and Red Lines.

C. PRIOR FUNDING

JO 8967 (IL-90-X460/CTA-2003-9BLB) \$5,000,000.

D. FUTURE FUNDING

None

E. RELATED PROJECTS

None

F. BUDGET

<u>Federal Activity</u>	<u>CTA Series Code and Description</u>	<u>Budget</u>
	00 N/A	<u>\$ 128,750,000</u>
	TOTAL:	<u>\$ 128,750,000</u>

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Chicago Transit Authority Capital Improvement Budget.
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G. MILESTONES

<u>TASKS</u>	<u>DATES</u>
JOB ORDER START	08/11/2004
DESIGN START	09/11/2004
COMPLETE PLANS & SPECS	
CONSTRUCTION START	
FUNDED COMPLETION	12/15/2007
JOB ORDER COMPLETION	02/15/2008

H. ESTIMATED QUARTERLY EXPENDITURES AND OBLIGATIONS

<u>Calendar Quarter</u>	<u>Expenditures</u>	<u>Obligations</u>
Qtr 01	\$ 0	\$ 128,750,000
Qtr 02	2,441,158	0
Qtr 03	2,643,318	0
Qtr 04	545,318	0
Qtr 05	231,863	0
Qtr 06	1,236,686	0
Qtr 07	6,880,998	0
Qtr 08	36,066,783	0
Qtr 09	44,443,398	0
Qtr 10	19,448,818	0
Qtr 11	6,998,869	0
Qtr 12	5,114,856	0
Year 4	<u>2,697,935</u>	<u>0</u>
TOTALS	\$ 128,750,000	\$ 128,750,000

I. FOR FUNDING AGENCY USE:

RTA Asset Category : 5 - Stations & Passenger Facilities
TIP CONFORMITY STATUS Exempt Project : Yes
 Included in Conforming TIP : Yes Year : 2004
 TIP Program Group : R-MAI
 CATS TIP Id : 16-02-0004

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Schedule.
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Schedule.
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Item	Description	Qty	Unit	Price	Amount	Notes	Checked	Approved
1	1.000000							
2	2.000000							
3	3.000000							
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