

ORDINANCE

WHEREAS, pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on November 15, 2006 and published at pages 92019-92099 of the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project for the LaSalle Central Redevelopment Project 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 amended pursuant to an ordinance adopted on February 7, 2007 and published at pages 97850-97855 of the Journal of such date, and amended pursuant to an ordinance adopted on May 9, 2007 and published at pages 104254-104259 of the Journal of such date (such amended plan and project are referred to herein as the "Plan"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 15, 2006 and published at pages 92100-92107 of the Journal of such date, and amended pursuant to an ordinance adopted on February 7, 2007 and published at pages 97850-97855 of the Journal of such date, and amended pursuant to an ordinance adopted on May 9, 2007 and published at pages 104254-104259 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 "TIF Ordinance") adopted by the City Council on November 15, 2006 and published at pages 92108-92114 of the Journal of such date, and amended pursuant to an ordinance adopted on February 7, 2007 and published at pages 97850-97855 of the Journal of such date, and amended pursuant to an ordinance adopted on May 9, 2007 and published at pages 104254-104259 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, UAL Corporation, a Delaware corporation ("UAL") and United Air Lines, Inc., a Delaware corporation ("United", together with UAL, collectively, the "Developer"), intend to lease a portion of an office building constructed on real property located within the Area and commonly known as 233 South Wacker Drive, Chicago, Illinois (the "Building"), and the Developer intends to relocate its operational center headquarters to the Building. The Building will be the principal office of the Developer's operational center headquarters. In connection with its occupancy of the Building, Developer intends to construct substantial tenant improvements. The rehabilitation of space in the Building and the Developer's use of a portion of the Building as the Developer's operational center headquarters are referred to as the "Project" ; and

WHEREAS, the Developer proposes to undertake the Project in accordance with the LaSalle Central Redevelopment Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, including but not limited to the completion of the Project, to be financed in part by Incremental Taxes, if any, deposited in the LaSalle Central Redevelopment Project Area Special Tax Allocation Fund (as defined in the TIF Ordinance) (the "Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, pursuant to a Resolution adopted by the Community Development Commission of the City (the "Commission") on September 8, 2009, the Commission recommended that the Developer be designated as the developer for the Project and that the City's Department of Community Development ("DCD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; and

WHEREAS, DCD has recommended the making of a grant (the "Grant") to the Developer in the total amount of \$10,000,000 to be funded from corporate funds of the City in connection with Developer's use of a portion of the Building as the Developer's operational center headquarters; 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 Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DCD (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: (a) a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"); (b) a grant agreement between the Developer and the City in substantially the form attached hereto as Exhibit B and made a part hereof (the "Grant Agreement"); and (c) such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement and/or the Grant Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement or the Grant Agreement, as applicable.

SECTION 4. Upon the Developer's satisfaction of the conditions set forth in the Redevelopment Agreement, a Note of the City in the maximum principal amount up to \$18,389,768 shall be issued for the payment of a portion of the eligible redevelopment project costs (as such term is defined under the Act) included within the Project (such costs shall be known herein and in the Redevelopment Agreement as "TIF-Funded Improvements") and shall be designated as follows: "Tax Increment Allocation Revenue Note (United Air Lines Redevelopment Project), Taxable Series A." The City Note shall be substantially in the form attached to the Redevelopment Agreement as Exhibit Q, and made a part hereof, with such additions or modifications as shall be determined to be necessary by the Authorized Officer (the person duly appointed and serving as the Chief Financial Officer of the City, or if no such person has been appointed, then the City Comptroller, being each referred to herein as an "Authorized Officer") of the City, at the time of issuance to reflect the purpose of the issue. The City Note shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein. The proceeds of the City Note are hereby appropriated for the purposes set forth in this Section 4.

The City Note shall mature as described in the Redevelopment Agreement, and shall bear interest at a fixed interest rate as described in the Redevelopment Agreement

until the principal amount of the City Note is paid or until maturity, with the exact rate to be determined by the Authorized Officer, computed on the basis of a 360-day year of twelve 30-day months.

The principal of and interest on the City Note shall be paid by check, draft or wire transfer of funds by the Authorized Officer of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the persons in whose names the City Note is registered at the close of business on the payment date, in any event no later than at the close of business on the 15th day of the month immediately after the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the City Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City on or before the maturity date.

The seal of the City shall be affixed to or a facsimile thereof printed on the City Note, and the City Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk or any Deputy Clerk of the City, and in case any officer whose signature shall appear on the City Note shall cease to be such officer before the delivery of the City Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The City Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the City Note, and showing the date of authentication. The City Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the City Note shall be conclusive evidence that the City Note has been authenticated and delivered under this Ordinance.

SECTION 5. The City shall cause books (the "Register") for the registration and for the transfer of the City Note (to the extent such transfer is permitted under the Redevelopment Agreement) as provided in this Ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the City Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple City Note blanks executed by the City for use in the transfer of the City Note.

Upon surrender for a transfer of the City Note authorized under the Redevelopment Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by, the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Authorized Officer (or his or her designee) and the Commissioner on the instrument of transfer, and (iv) any deliveries required under the Redevelopment Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees a new fully registered City Note of the same maturity, of authorized denomination, for the authorized principal amount of the City Note less previous retirements. The execution by the City of a fully registered City Note shall

constitute full and due authorization of the City Note and the Registrar shall thereby be authorized to authenticate, date and deliver the City Note. The Registrar shall not be required to transfer or exchange the City Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of the City Note nor to transfer or exchange the City Note after notice calling the City Note for prepayment has been made, nor during a period of five (5) business days next preceding mailing of a notice of prepayment of principal of the City Note. No beneficial interests in the City Note shall be assigned, except in accordance with the procedures for transferring the City Note described above.

The person in whose name the City Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the City Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the City Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the City Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the City Note.

SECTION 6. Subject to the limitations set forth herein, the Authorized Officer is authorized to determine the term of the City Note and to issue the City Note on such terms as the Authorized Officer may deem to be in the best interest of the City. The principal of the City Note shall be subject to prepayment as provided in the form of City Note attached to the Redevelopment Agreement as Exhibit O. As directed by the Authorized Officer, the Registrar shall proceed with prepayment without further notice or direction from the City.

SECTION 7. The Registrar shall note on the Debt Service Schedule attached to the City Note the amount of any payment of principal or interest on the City Note, including the amount of any prepayment, and the amount of any reduction in principal pursuant to the Agreement.

SECTION 8. The City Note hereby authorized shall be executed as in this Ordinance and the Redevelopment Agreement provided as soon after the passage hereof as may be practicable and consistent with the terms of the Redevelopment Agreement, and thereupon, said City Note shall be deposited with the Commissioner, and delivered by the Commissioner to the Developer.

SECTION 9. Pursuant to the TIF Ordinance, the City has created or will create the Fund. The Authorized Officer is hereby directed to maintain the Fund as a segregated interest-bearing account, separate and apart from the General Fund or any other fund of the City, with a bank that is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area are to be deposited into the Fund.

Subject to the terms and conditions of the Agreement, the City shall use the Available Incremental Taxes (as such term is defined in the Redevelopment Agreement) to make payments with respect to the City Note until the City Note has been fully repaid.

In the event that an event of default under the Agreement entitles the City to permanently terminate further payments of City Funds (as defined in the Agreement) with respect to the City Note, the City may in its discretion, return the amounts that would otherwise be allocated to the payment of the City Note to the Fund of the City. Notwithstanding any of the foregoing, payments on the City Note will be subject to Available Incremental Taxes.

SECTION 10. The City Note is a special limited obligation of the City. The City Note is payable solely from Available Incremental Taxes, and shall be a valid claim of the registered owners thereof only against said sources. The City Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner of the City Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the City Note. The City's obligation to fully repay the City Note is further limited by the terms and conditions of the Agreement.

SECTION 11. Moneys on deposit in the Fund may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago (the "Municipal Code"). Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on the City Note.

SECTION 12. Pursuant to the Redevelopment Agreement, the Developer shall complete the Project. The eligible redevelopment project costs of the Project constituting TIF-Funded Improvements up to the principal amount of \$18,389,768, when evidenced by Certificates of Expenditure shall be deemed to be a disbursement of the proceeds of the City Note. Upon issuance, the City Note shall have an initial principal balance as determined by **Section 4.03(b)** of the Redevelopment Agreement, as evidenced by Certificates of Expenditures delivered in accordance with the Redevelopment Agreement, and subject to the reductions described in the Redevelopment Agreement. After issuance, the principal amount outstanding under the City Notes shall be the initial principal balance of the City Note, minus any principal amount and interest paid on the City Note and other reductions in principal as provided in the Redevelopment Agreement.

SECTION 13. The Mayor, the Authorized Officer, the City Clerk or any Deputy Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to executed and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance.

SECTION 14. The Registrar shall maintain a list of the names and address of the registered owners from time to time of the City Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 15. The provisions of this Ordinance shall constitute a contract between the City and the registered owner of the City Notes. All covenants relating to the City Notes are enforceable by the registered owner of the City Notes.

SECTION 16. 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 17. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 18. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit(s) attached to this ordinance on file and available
for public inspection in the Office of the City Clerk]

Document No. PO2009- 6179

Document No. 02009- 5576

REFERRED TO COMMITTEE ON FINANCE
SEP - 9 2009
<i>Miguel del Valle</i> City Clerk City of Chicago

PASSED by the City Council of the City of Chicago and deposited in the office of the City Clerk of said City.
OCT - 7 2009
<i>Miguel del Valle</i> City Clerk City of Chicago