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Doc#: 1433718111 Fee: \$188.00
RHSP Fee:\$9.00 RPRF Fee: \$1.00
Karen A.Yarbrough
Cook County Recorder of Deeds
Date: 12/03/2014 03:40 PM Pg: 1 of 76

212383

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

CICERO & GEORGE LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT

This Cicero & George Limited Partnership Redevelopment Agreement (this "Agreement") is made as of this 1st day of December, 2014, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Cicero & George Limited Partnership, an Illinois limited partnership (the "Partnership"), Hispanic Housing Cicero and George LLC, an Illinois limited liability company (the "LLC" and collectively with the Partnership, the "Developer"), and Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("HHDC") which is a party to this Agreement solely for the purpose of making the specific covenants, representations and warranties made by HHDC herein. Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

RECITALS

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

B. Statutory and City Council Authority: To induce redevelopment pursuant to provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act") the City Council of the City (the "City Council") adopted certain ordinances on January 12, 2000, approving a redevelopment plan (the "Original Plan") for the Belmont Cicero Redevelopment

Project Area (the "**Redevelopment Area**"), designating the Redevelopment Area as a "redevelopment project area" under the Act, and adopting tax increment allocation financing for the Redevelopment Area (collectively, the "Original TIF Ordinances"). The Original Plan was amended by (i) an ordinance adopted by the City Council on May 17, 2000 entitled "The Belmont/Cicero Tax Increment Financing Redevelopment Plan and Project Revision #2" (the "Plan Amendment 1"); (ii) an ordinance adopted by the City Council on May 14, 2008 entitled "The Belmont/Cicero Tax Increment Financing Redevelopment Plan and Project Revision Number 3 April 2008" (the "Plan Amendment 2"); (iii) an ordinance adopted by the City Council on July 30, 2014 entitled "The Belmont/Cicero Tax Increment Financing Redevelopment Plan and Project Revision Number 4" (the "Plan Amendment 3"); and (iv) an ordinance adopted by the City Council on November 19, 2014 entitled an ordinance for "Amendment of Revision No. 4 to Belmont/Cicero Tax Increment Financing Plan and Project" (the "Plan Amendment 4") (Plan Amendment 1, Plan Amendment 2, Plan Amendment 3, Plan Amendment 4, and together with the Original Plan are referred to herein as the "Redevelopment Plan") (collectively, the Original TIF Ordinances with Plan Amendment 1, Plan Amendment 2, Plan Amendment 3, and Plan Amendment 4 are referred to herein as the "TIF Ordinances"). The Redevelopment Area is legally described in Exhibit A hereto.

C. The Project: The Developer intends to undertake the construction of a multi-story building (the "Facility") of approximately 70 dwelling units contained therein, comprised of a studio unit and one- and two-bedroom units, for low- and moderate-income independent seniors age 62 and over, including one maintenance employee dwelling unit, and together with common space, offices, and parking (the "Project," as more fully described in Exhibit B) at certain property located within the Redevelopment Area and commonly known as 4800 West George Street (also known as 2900-2912 North Cicero Avenue), Chicago, Illinois 60641 and legally described in Exhibit C (the "Property").

D. Redevelopment Plan: The Project will be carried out in accordance with this Agreement, and the Redevelopment Plan, attached hereto as Exhibit D, as amended from time-to-time.

E. City Financing: The City agrees to use Available Incremental Taxes to reimburse the LLC 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.

SECTION 2. DEFINITIONS

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

"2FM" shall mean the City's Department of Fleet and Facilities Management.

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

"Affordable Housing Loan" shall mean that loan of Multi-Family Program Funds set forth in Exhibit E hereto.

"Annual Compliance Report" shall mean a signed report from the Developer to the City (a) itemizing each of the Developer's obligations under the Agreement during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Affordable Housing Covenant (Section 8.20); (2) delivery of Financial Statements and unaudited financial statements (Section 8.13); (3) delivery of updated insurance certificates, if applicable (Section 8.14); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); and (5) compliance with all other executory provisions of the Agreement.

"Area TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes have been and will be deposited.

"Architect" means Weese Langley Weese or such other inspecting architect engaged as is approved by the Authorized Officer as contemplated by Section 3.09.

"Architect's Certificate" shall mean the certificates from the Architect indicating that the Project is at least 25% complete, at least 50% complete and 100% complete, as applicable.

"Authorized Officer" shall mean the Commissioner of DPD and a designee of the Commissioner of DPD.

"Available Incremental Taxes" shall mean the Incremental Taxes collected from the Redevelopment Area and deposited in the Area TIF Fund, and which are available for the financing or payment of Redevelopment Project Costs, after deducting (i) the City Fee, (ii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement, if any and (iii) debt service payments with respect to the Bonds, if any.

"Business Relationship" shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code of Chicago.

"Certificate" shall mean the Certificate of Completion described in Section 7.01 hereof.

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

"City Fee" shall mean the fee described in Section 4.02 hereof.

"City Funds" shall mean the funds paid to the LLC described in Section 4.03 hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Completion Date" shall mean the date the City issues its Certificate of Completion.

"Construction Contract" shall have the meaning set forth in Section 6.02 hereof

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

"DCEO Grant" shall mean the grant in the amount of \$211,416 awarded by the Illinois Department of Commerce and Economic Opportunity to HHDC for the Project. HHDC shall, through the LLC, make a shareholder's contribution of the DCEO Grant proceeds to the General Partner, and the General Partner shall thereafter contribute the DCEO Grant proceeds to the Partnership as a general partner capital contribution.

"Draft NFR Letter" shall mean a draft of the NFR Letter, prepared by the Illinois Environmental Protection Agency based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

"Environmental Laws" means any and all federal, state, local or other laws (including common law) relating to the regulation and protection of human health, safety, the environment and natural resources now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., any and all regulations promulgated thereunder, and all analogous state and local counterparts or equivalents, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., and any theory of common law tort or toxic tort, including, without limitation, negligence, trespass, nuisance, strict liability or ultrahazardous activity.

"Equity" shall mean funds of the Partnership (other than funds derived from Lender Financing) in an amount not less than that set forth in Exhibit E attached hereto.

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

"Escrow Agreement" shall mean, with respect to each construction phase undertaken, any construction escrow agreement to be entered into by the Title Company (or an affiliate of, or an entity as an agent of, the Title Company), the Developer, the Lender(s) and the City (and acknowledged by the General Contractor), substantially in the form of Exhibit L attached hereto, which shall govern the funding of the Equity, the Lender Financing, if any, and the City Funds.

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

"Facility" shall have the meaning set forth in the Recitals hereof.

"Final NFR Letter" shall mean a final comprehensive NFR Letter from the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final NFR Letter shall state that the Property meets TACO Tier 1 remediation objectives for residential properties and the construction worker exposure route as set forth in 35 IAC Part 742, but may be conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Financial Statements" shall mean complete audited financial statements of Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contractor" shall mean Tropic Construction Corp., or another entity approved by DPD, which shall be hired by the Developer.

"General Partner" shall mean Cicero and George Elderly Corporation, an Illinois corporation.

"Hazardous Substances" 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 Laws, or any pollutant, toxic vapor, or contaminant, and shall include, but not be limited to, polychlorinated biphenyls (PCBs), crude oil, any fraction thereof, or refined petroleum products such as oil, gasoline, or other petroleum-based fuels, lead paint, asbestos or asbestos-containing materials, urea formaldehyde, any radioactive material or by-product material, radon and mold.

"IEPA" shall mean the Illinois Environmental Protection Agency and any successor department thereto.

"Illinois Clean Energy Fund Grant" shall mean the grant in the amount of \$75,000 awarded by the Illinois Clean Energy Fund to HHDC for the Project. HHDC shall, through the LLC, make a shareholder's contribution of the Illinois Clean Energy Fund Grant proceeds to the General Partner, and the General Partner shall thereafter contribute the DCEO Grant proceeds to the Partnership as a general partner capital contribution.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds borrowed by the Partnership from lenders, if any, and used to pay for Costs of the Project otherwise secured by the Property. The Lender Financing for the Project is summarized on Exhibit E.

"Limited Partner" shall mean Bank of America, N.A., a national banking association or an affiliate thereof and its successors and assigns as permitted under Section 8.01(j) hereof.

"Losses" shall mean any and all debts, liens, claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs and expenses

(including, without limitation, reasonable attorney's fees and expenses, consultants' fees and expenses and court costs).

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

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

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

"NFR Letter" shall mean a "No Further Remediation" letter, issued by the IEPA pursuant to the SRP and, with respect to any USTs subject to Title 16 of the Illinois Environmental Protection Act, a "No Further Remediation" letter with respect to such USTs pursuant to Title 16, whichever is applicable, as amended or supplemented from time to time.

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

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

"Phase I Report" means the Phase I Environmental Site Assessment Report prepared by GSG Consultants, Inc. dated July 2014 for the Property issued in favor of the Partnership and in which the City is expressly identified as a permitted user.

"Phase II Report" means the Phase II Environmental Site Assessment Report prepared by GSG Consultants, Inc. dated January 2007 for the Property issued in favor of HHDC.

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

"Prior Expenditure(s)" shall mean those prior expenditures relating to the Project set forth in Exhibit H hereto that have been incurred by the LLC prior to the Closing Date and in accordance with the Project Budget and which qualify as TIF Funded Improvements.

"Project" shall have the meaning set forth in the Recitals hereof, and more fully described in Exhibit B.

"Project Budget" shall mean the budget attached hereto as Exhibit F-1, showing the total cost of the Project by line item, as the same may be amended from time to time with the consent of DPD.

"Project PINS" means the property index numbers assigned to the Property, which are currently 13-28-223-029, 13-28-223-030, 13-28-223-031, 13-28-223-032, and 13-28-223-033 which specific PINS may change pursuant to consolidation.

"Property" shall have the meaning set forth in the Recitals hereof.

"RACR" shall mean a Remedial Action Completion Report, submitted to the IEPA in connection with a request for a Final NFR Letter.

"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, attached as Exhibit D, or otherwise referenced in the Redevelopment Plan.

"Released Claims" shall have the meaning set forth in Section 3.02(g).

"Remediation Work" shall mean all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property, in accordance with the terms and conditions of the Draft NFR Letter for the Property (if any shall be issued), SRP Documents (if any shall be submitted to IEPA), all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit I, to be delivered by the Developer to DPD pursuant to Section 4.03 of this Agreement.

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

"Special Limited Partner" shall mean Banc of America CDC Special Holding Company, Inc., or an affiliate thereof or its successors and assigns as permitted under Section 8.01(j) hereof.

"SRP" or "Site Remediation Program" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"SRP Documents" means the Comprehensive Site Investigation Report/ Remediation Objectives Report/ Remedial Action Plan, submitted to the IEPA in connection with a request for a Draft NFR Letter, dated September 2014, prepared by GSG Consultants, Inc., as amended or supplemented from time to time.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the 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 Closing Date and ending on December 31, 2024.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to reimburse and/or pay for out of the City Funds, subject to the terms of this Agreement, as set forth on Exhibit J, as the same may be amended with DPD's consent.

"Title Commitment" shall have the meaning set forth in Section 3.02(c) hereof.

"Title Company" shall mean Title Services, Inc., as title agent for Commonwealth Land Title Insurance Company.

"Title Policy" shall mean a title insurance policy, issued in favor of the Partnership, in the most recently revised ALTA or equivalent form, showing the Partnership as the insured, 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.

"UST(s)" means underground storage tank(s) whether or not subject to Title 16 of the Illinois Environmental Protection Act, including without limitation (a) any underground storage tank as defined in 415 ILCS 5/57.2, (b) any farm or residential tank of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes, (c) any tank used for storing heating oil for consumption on the Property where stored, (d) any septic tank, (e) any tank that is excluded from the definition in 415 ILCS 5/57.2 based upon the existence of any Hazardous Substance therein, and (f) any pipes connected to items (a) through (e) above.

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

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

SECTION 3. THE PROJECT

3.01 The Project. The Developer will complete construction of the Project pursuant to the Plans and Specifications, but subject to the provisions of Section 18.17, no later than July 31, 2016 or such later date as to which DPD may consent (which consent shall not be unreasonably withheld provided that construction is completed on or before December 31, 2016 in connection with the federal low-income housing tax credits allocated to the Project).

3.02 Plans and Specifications. The Developer has delivered the Plans and Specifications to DPD for the Project and DPD has approved same. After such initial approval, subsequent proposed changes to the Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.05 hereof. The Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in the approximate amount of \$22,107,575. The Developer hereby certifies (a) the Partnership has the necessary Lender Financing and Equity in an amount sufficient to pay for the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer, as necessary and whenever applicable, shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.05 hereof.

3.04 **[[[INTENTIONALLY OMITTED]]]**

3.05 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD for DPD's prior written approval, which shall not be unreasonably withheld or delayed. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

3.07 Other Approvals. Any DPD, City Department of Transportation, City Department of Buildings, or other City departmental approval under the Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Plans and Specifications) and, to the extent required, proof of the General Contractor's and each subcontractor's bonding.

3.08 Progress Reports and Survey Updates. After commencement of construction, the Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including the amount of TIF-Funded Improvements incurred and revised completion dates if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.05). The Developer may satisfy this reporting requirement through submission of the monthly construction draw, so long as any additional information DPD requests regarding status of the Project and the amount of TIF-Funded Improvements shall be provided upon request by DPD. The Developer shall provide three (3) copies of an updated Survey to DPD if the same is required by any lender providing Lender Financing, reflecting improvements made to the Property.

3.09 Inspecting Agent or Architect. An independent agent or architect approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project. At the Developer's option (but still subject to DPD approval as set forth above), the inspecting architect may be the inspecting architect engaged by any lender providing Lender Financing for the Project, provided that said architect is an independent architect licensed by the State of Illinois, an inspecting agent of DPD or the Architect.

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

3.11 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

3.12 Utility Connections. The Developer 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 the Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.13 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$22,107,575, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources as set forth on Exhibit E attached hereto.

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay for (through the Escrow), or reimburse the LLC for, costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit J sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid for (through the Escrow) or reimbursed from City Funds for each line item therein (subject to Section 4.03(b)) contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds in a principal amount not to exceed Four Million Dollars (\$4,000,000) (the "City Funds") from Available Incremental Taxes to pay for (through the Escrow) or reimburse the LLC for the costs of the TIF-Funded Improvements. City Funds will be provided in three installments as follows: i) the first payment of up to \$1,000,000 will occur after construction is 25% complete, as evidenced by an Architect's Certificate; ii) the second payment of up to \$1,000,000 will occur after construction is 50% complete, as evidenced by an Architect's Certificate, and iii) the third and final payment will consist of the balance of the City Funds (which is anticipated to be approximately \$2,000,000) and will occur upon the issuance of the Certificate of Completion.

City Funds derived from Available Incremental Taxes shall be available to pay such costs and allocated for such purposes only so long as:

(i) The amount of the Available Incremental Taxes is sufficient to pay for such costs; and

(ii) The City has been paid the City Fee described in Section 4.06 below.

(c) The Developer may direct the amounts payable pursuant to Section 4.03(a) and (b) to be paid by the City in accordance with this Agreement to an account established by the Developer with Bank of America, N.A., or another financial institution as directed by the Developer. The wiring instructions for such account shall be provided to the City by the Developer.

4.04 Requisition Form and Disbursement Preconditions

(a) Requisition Forms. After the Closing Date, and prior to any request for an installment payment, the LLC shall provide DPD with a Requisition Form, along with the documentation described therein, until the Certificate of Completion is issued by DPD. Upon DPD's request, the Developer shall meet with DPD to discuss any Requisition Form(s).

(b) Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of a Requisition Form (in the form of Exhibit I) for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth in the Requisition, constitute a certification to the City, as of the date of such Requisition, that:

(i) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(ii) all amounts shown as previous payments on the current [disbursement request] have been paid to the parties entitled to such payment;

(iii) Developer has approved all work and materials for the current Requisition subject to the terms of the Construction Contract, and to the best of Developer's knowledge, such work and materials conform to the Plans and Specifications;

(iv) the representations and warranties contained in this Redevelopment Agreement are true and correct and Developer is in compliance with all covenants contained herein;

(v) Developer 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;

(vi) 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 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's construction. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions for each disbursement of City Funds, including but not limited to requirements set forth in the TIF Ordinances, this Agreement and/or the Escrow Agreement.

Notwithstanding any other provision in this Agreement, the City shall not terminate this Agreement upon the occurrence of an Event of Default if foreclosure proceedings have been commenced under any mortgage securing any Lender Financing or a deed in lieu of such foreclosure has been executed and delivered and provided that either lender providing Lender Financing, or transferee of such lender, has cured or has commenced and is pursuing the cure of the Event of Default within the curative time period provided under Section 15.03.

4.05 **Prior Expenditures.** Exhibit H hereto sets forth the Prior Expenditures approved by DPD as of the date hereof.

4.06 **City Fee.** Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

4.07 **Cost Overruns.** The Developer shall be solely responsible for any Project costs in excess of those set forth in the Project Budget and shall hold the City harmless from any and all such costs.

4.08 **Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed as provided in **Section 15.**

4.09 **Permitted Transfers.** Notwithstanding anything herein to the contrary, City will permit (i) Bank of America, N.A., the investor limited partner (the "**Investor Limited Partner**") to remove the General Partner as the general partner of the Partnership, in accordance with the Partnership's Amended and Restated Limited Partnership Agreement, provided the substitute general partner is acceptable to City in its reasonable discretion and the City provides its written consent (except no consent of the City shall be required under this Agreement if the substitute general partner is an affiliate of the Investor Limited Partner), and (ii) the General Partner to pledge to Bank of America, N.A. all of the General Partner's rights, title and interest in and to the Developer and under the Developer's Amended and Restated Limited Partnership Agreement as collateral for the Developer's obligations under the loans made or to be made by Bank of America, N.A., to Developer, and (iii) a transfer by the Limited Partner of its limited partner interest after the Closing Date to an unaffiliated entity; provided, however, that the prior written consent of DPD shall not be required for a transfer by the Limited Partner of its limited partner interest after the Closing Date to an affiliated entity, but prior written notice to DPD is required.

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 **Project Budget.** The Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of **Section 3.03** hereof.

5.02 **Scope Drawings and Plans and Specifications.** The Developer has submitted to DPD, and DPD has approved, the Plans and Specifications in accordance with the provisions of **Section 3.02** hereof.

5.03 **Other Governmental Approvals.** The Developer has secured all other necessary approvals and permits required by any state, federal or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 **Financing.** The Developer has furnished proof reasonably acceptable to the City that the Partnership has Equity and Lender Financing in the amounts set forth in **Exhibit E** to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Partnership as needed and are sufficient (along with the Equity set forth in **Exhibit E** and **Section 4.01**) to complete the Project. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Partnership as the named insured (following HHDC's conveyance of the Property to the Partnership on or prior to the Closing Date). The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning, contiguity, location, access and survey.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the names of the Partnership, the General Partner, the LLC, HHCD, and Tropic Construction Corp, and any other entities the Corporation Counsel reasonably deems necessary) as follows:

| | |
|--|-------------------------------|
| Secretary of State | UCC search |
| Secretary of State | Federal tax search |
| Cook County Recorder | UCC search |
| Cook County Recorder | Fixtures search |
| Cook County Recorder | Federal tax search |
| Cook County Recorder | State tax search |
| Cook County Recorder | Memoranda of judgments search |
| U.S. District Court | Pending suits and judgments |
| Clerk of Circuit Court, Cook County | Pending suits and judgments |

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

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

5.08 Insurance. The Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit L, with such changes as required by or acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05 hereof.

5.11 Financial Statements. The Partnership and the LLC have provided, if either such entity has completed a fiscal year in which it engaged in economic activity prior to the execution of this Agreement, Financial Statements to DPD for its most recent fiscal year, and audited or unaudited interim financial statements, if applicable.

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters.

5.13 Environmental. The Developer has provided DPD with copies of the Phase I Report and any other reports, data or correspondence relating to the environmental condition of the Property, including any Phase II Reports. Developer may either provide the City with a letter from the environmental engineer(s) who completed the foregoing environmental documents authorizing the City to rely on such audits or require the environmental engineer(s) to provide that the City is a permitted user of the Phase I Report and is entitled to rely on same. The Developer shall also provide the City with a copy of any SRP Documents, Draft NFR Letter or any other reports data or documentation required if the City shall, upon completing its review of the Phase I Report and other documents previously provided, conclude that the Property condition requires that the Property be enrolled in the Site Remediation Program.

5.14 Corporate Documents; Economic Disclosure Statement. The Partnership, the General Partner, the LLC, and HHDC have each provided a copy of its Articles or Certificate of Incorporation, Certificate of Organization, or Certificate of Limited Partnership, as applicable, containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which each is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation, partnership agreement, or operating agreement, as applicable; and such other corporate documentation as the City has requested. Each entity in this Section and the Limited Partner and its affiliate, if applicable, or some other limited partner approved by the DPD Commissioner, has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of Tropic Construction Corp., an Illinois corporation, as the General Contractor. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of all subcontracts previously entered into in connection with TIF-Funded Improvements have already been provided to DPD; copies of subcontracts to be entered into, after the date of this Agreement, in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract (showing both parties of the Developer as parties to the Contract) with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and 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 construction of any portion of the Project, the Developer shall require that the 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. A312 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit M hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall either issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement or a written statement detailing the measures which must be taken in order to obtain the Certificate. DPD may require an Architect's Certificate certifying completion from the Architect hired at the Developer's expense to confirm the completion of the Project. The Developer may resubmit a written request for a Certificate upon completion of such measures.

The Certificate will not be issued until:

(a) The Developer has notified the City in writing that the Project has been completed as defined in this Agreement and according to the Plans and Specifications (as modified in accordance with Section 3.05 hereof); and

(b) The Developer has received a Certificate of Occupancy (or other evidence acceptable to DPD that the Developer has complied with building permit requirements) for all components of the Project; and

(c) The City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in Section 11, Section 10, and Section 8.09 – Davis-Bacon wages with respect to the construction of the Project; and

(d) The Developer has demonstrated to the City that it has incurred costs of TIF-Funded Improvements for the Project in at least the amount requested in the Requisition Form; and

(e) The Developer has complied with the Affordable Housing Covenant in Section 8.20; and

(f) if the City determines that the Property must be enrolled in the Site Remediation Program, the Developer shall have submitted and recorded its Final NFR Letter from the Illinois Environmental Protection Agency.

7.02. Terms & Conditions, and Representations, and Warranties To Remain in Effect. The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a 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 at Sections 8.02, 8.19(c), 8.20 as covenants that run with the land 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 notwithstanding the issuance of a Certificate; provided, that the covenants set forth in Section 8.02 shall be deemed to have been fulfilled upon the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

Notwithstanding the foregoing, until the City has made its initial \$1,000,000 installment payment of City Funds, the covenants specifically described at Sections 8.02, 8.19(c), 8.20 as covenants that run with the land shall not bind any successor by foreclosure or deed in lieu of foreclosure of any mortgage securing Lender Financing unless such transferee accepts an assignment of the Developer's interest hereunder in accordance with Section 16(b).

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

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

(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 4.03, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer'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 THE DEVELOPER.

8.01 General. The Partnership and LLC and HHDC each represents, warrants and covenants (except where only a specific entity is designated as making the representation, warranty or covenant), as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) the Partnership is an Illinois limited partnership, the LLC is an Illinois limited liability company, and HHDC is an Illinois not-for-profit corporation, each duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of the Partnership and the LLC and HHDC has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable;

(c) the execution, delivery and performance by the Developer and HHDC of this Agreement has been duly authorized by all necessary action, and does not and will not violate, as applicable, the LLC's Articles of Organization, or operating agreement as amended and supplemented, or the Partnership's amended and restated limited partnership agreement, as amended and supplemented, or HHDC's Articles of Incorporation, its Bylaws as amended and supplemented, by any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer or HHDC is now a party or by which the Developer or HHDC is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Partnership shall acquire from HHDC and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof

and governmental charges that the Developer is contesting in good faith pursuant to Section 8.19(a) hereof;

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

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement;

(g) the Developer has obtained or will obtain and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and, following the City's issuance of all applicable certificates of occupancy, operate the Project;

(h) the Developer is not in default with respect to any agreement or instrument related to the borrowing of money to which the Developer is bound or for which the Property serves as collateral;

(i) any Financial Statements provided to the City are and will be, at the time of submittal, true, complete and correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of the Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Partnership since the date of the Developer's most recent Financial Statements provided to the City;

(j) prior to the issuance of the Certificate pursuant to Section 7.01, the Developer shall not directly or indirectly do any of the following without the prior written consent of DPD, which consent shall be in DPD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except for residential rental leases for the units in the Project entered in the ordinary course of business) or otherwise dispose of all or substantially all of its assets or any portion of the Property; (3) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; (4) enter into any transaction outside the ordinary course of Developer's business; or (5) a transfer by the Limited Partner of its limited partner interest after the Closing Date to an unaffiliated entity except as allowed in Section 4.09; and also provided, however, that the prior written consent of DPD shall not be required for a transfer by the Limited Partner of its limited partner interest after the Closing Date to an affiliated entity, but prior written notice to DPD is required.

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and¹

(l) the Developer, HHDC, or any affiliate of the Developer or HHDC have not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the

Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City;

(m) neither the Developer, HHCD nor any affiliate of the Developer or HHDC is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) payments of City Funds are subject to the amount of Available Incremental Taxes deposited into the Belmont/Cicero Redevelopment Project Area Account being sufficient for such payments. If, and that if the Available Incremental Taxes turn out to be insufficient to make such payments, such insufficiency shall not give the Developer or any other party any claim or right to any other Incremental Taxes or City funds.;

(o) such party understands that (A) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the Belmont/Cicero Redevelopment Project Area Account; (B) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (C) such party will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (D) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(p) such party has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(q) such party understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amount of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(r) except as otherwise authorized in this Agreement, such party understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part without the prior written consent of the City, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any, sale, assignment, pledge or transfer by such party of City Funds in violation of this Agreement; and

(s) such party acknowledges that the City has no continuing obligation to provide it with any information concerning the City Funds or otherwise, except as set forth in this Agreement.

(t) the Developer agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer or HHDC of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, the Developer's contractors (i.e., any person or entity in direct contractual privity with the Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (the Developer, HHDC and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by the Developer and HHDC, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract among the Developer, HHDC and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer and HHDC represent and warrant that from the date the City approached the Developer or HHDC or the date the Developer or HHDC approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

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

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

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

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

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

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

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 - 4. Each partner identifies the other partner as a primary beneficiary in a will.

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. The Developer represents 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 LLC shall be used by the LLC solely to pay for or reimburse the LLC for the TIF-Funded Improvements as provided in this Agreement. The City acknowledges that the LLC shall loan the City Funds to the Partnership in accordance with the Partnership's amended and restated limited partnership agreement for the Project.

8.05 **TIF Bonds.** The Developer Parties shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) TIF Bonds in connection with the Redevelopment Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer Parties or the Project; provided, further, that the proceeds of TIF Bonds issued on a tax-exempt basis cannot be used as a source of City Funds or to repay the City Funds; and provided further, that the proceeds of TIF Bonds shall not be used to make any payments to the Developer Parties hereunder. The Developer Parties shall, at the Developer Parties' expense, cooperate and provide reasonable assistance in connection with the marketing of any such TIF 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.

8.06 [Intentionally Omitted]

8.07 **Employment Opportunity; Progress Reports.** The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered quarterly to the City. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 **Employment Profile.** The Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.09 **Prevailing Wage.** Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the Lender Financing or project-based section 8 federal rental subsidy for the Project, the Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 **Conflict of Interest.** Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or

employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.12 **Disclosure of Interest**. The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

8.13 **Financial Statements**. Commencing in the earlier of first fiscal year in which Developer engaged in economic activity or 2015, the Developer shall obtain and provide to DPD Financial Statements for the Developer for such fiscal year for which such statements are available and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 **Insurance**. The Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 **Non-Governmental Charges**.

(a) **Payment of Non-Governmental Charges**. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) **Right to Contest**. The Developer has the right, before any delinquency occurs:

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

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

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

8.17 **Compliance with Laws.** To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 **Recording and Filing.** The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

(ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect; provided, however, nothing contained in this provision shall preclude Developer from applying for and receiving any reduction in the amount of real estate taxes payable for the Project or the Property, subject to the provisions of clause (ii) below.

(ii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property for Real Estate Taxes applicable until the tax year that ends on December 31, 2023; provided, however, the Developer is permitted to apply for a Class 9 or similar designation from Cook County (including the Cook County Assessor's Affordable Housing Initiative program) even if such designation with respect to the Property would result in a reduced assessed value. As part of the Class 9 or similar designation, the Cook County Assessor may consider the income approach permitted for projects financed with the federal low income housing tax credit per 35 ILCS Section 10-260.

(iii) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or

subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property; provided, however, the Developer is permitted to apply for a Class 9 or similar designation from Cook County and may defend against any Underassessment Complaint that seeks to challenge the Class 9 (or similar designation) assessment.

(iv) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided however, that the covenants shall be released upon the expiration of the Term of the Agreement or as otherwise provided in Section (c)(ii) above. The Developer agrees that any sale (including, without limitation, any sale and leaseback), lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof, including the transfer of title from HHDC to the Partnership, shall be made explicitly subject to such covenants and restrictions.

Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer or its successors and assigns, may waive and terminate the Developer's covenants set forth in this Section 8.19(c).

8.20 Affordable Housing Covenant and LIHTC Regulatory Agreement. In connection with the Affordable Housing Loan, a certain HOME Regulatory Agreement between the City and the Partnership, dated as of the date hereof, shall be recorded against the Property, which shall impose certain affordability restrictions on the Project as set forth therein.

Developer agrees and covenants to the City that the provisions of that certain HOME Regulatory Agreement as of the date hereof shall govern the terms of Developer's obligation to provide affordable housing.

Developer acknowledges that in connection with the allocation of Low Income Housing Tax Credits ("LIHTCS") to the Partnership and equity produced from the sale thereof, a certain Low Income Housing Tax Credit Regulatory Agreement ("LIHTC Regulatory Agreement") between the City and the Partnership, dated as of the date hereof, shall be recorded against the Property.

8.21 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer'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 of a Certificate) shall be in effect throughout the Term of the Agreement.

8.22 Annual Compliance Report. Beginning with the calendar year in which the Certificate is issued and continuing throughout the Term of the Agreement, the Developer shall submit to DPD the Annual Compliance Report by February 1st of the year following the end of the calendar year to which the Annual Compliance Report relates. For example, if the Certificate is issued in 2014, then

the first Annual Compliance Report will be due no later than February 1, 2015.

8.23 **Inspector General.** It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's member (for the LLC), officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.24 **FOIA and Local Records Act Compliance**

(a) **FOIA.** Each of the Partnership and the LLC acknowledge that the City is subject to the Illinois Freedom of Information Act, 5ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then such Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request will be a breach of the Agreement.

(b) **Exempt Information.** Documents that the Developer submits to the City under Section 8.22 (Annual Compliance Report) or otherwise during the term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that the Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) **Local Records Act.** The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq., as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with the Agreement and the transactions contemplated in the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

9.02 **Survival of Covenants.** All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery

and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

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

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

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

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

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

The Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

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

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

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

At the direction of DPD, affidavits and other supporting documentation will be required of the Developer, the General Contractor and each subcontractor to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

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

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the aggregate hard construction costs (as set forth in Exhibit F-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Environmental Assessment. HHDC and the Developer represent to the City that HHDC has (i) previously obtained a Phase II Report and (ii) obtained the Phase I Report, and other environmental studies. HHDC and Developer represent and acknowledge that the environmental review of the Property by 2FM on behalf of the City requires that the Property be enrolled in the Site Remediation Program of IEPA in order to be constructed, completed, and operated in accordance with (i) all Environmental Laws, (ii) this Agreement (including all Exhibits attached hereto), (iii) the Plans and Specifications and all amendments thereto and (iv) the Redevelopment Plan. Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, 2FM shall have the right to review and approve the sufficiency of the Phase I Report and Phase II Report and any other reports prepared for the Property, including, without limitation the SRP Documents. Upon 2FM's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project including, without limitation, updating or expanding the Phase I Report and performing additional Phase II testing. HHDC and the Developer agree to deliver to the City a copy of each report prepared by or for HHDC or the Developer regarding the environmental condition of the Property.

11.02 Environmental Remediation. (a) HHDC and Developer shall enroll the Property in the SRP and submit the SRP Documents to the IEPA. The IEPA shall review the SRP Documents and request follow-up actions and corrections, as appropriate. The Developer agrees to take all such follow-up actions and other necessary and proper steps to obtain a Draft NFR Letter and thereafter a Final NFR Letter for the Property. Developer agrees that it shall not commence construction of the Project until the Property is enrolled in the SRP Program. 2FM shall have the right to review and approve the Draft NFR Letter and Final NFR Letter. After 2FM approves the Draft NFR Letter, the Developer covenants and agrees to complete the Remediation Work. The City shall have the right to review in advance and approve any material changes to any SRP Documents, the RACR for the Property and the Developer's estimate of the cost to perform any Remediation Work. The

Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters, including, without limitation, any plans or proposals the Developer may have that would materially increase or decrease the costs of the Remediation Work. The Developer shall bear sole responsibility for all aspects of the Remediation Work and any other investigative and cleanup costs associated with the Property, including, without limitation, the removal and disposal of all Hazardous Substances, debris and other materials excavated during the performance of the Remediation Work. The Developer shall promptly transmit to the City copies of all documents and other written communications delivered to or received from the IEPA or other regulatory agencies with respect to the Remediation Work. The Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for the Property, and the Final NFR Letter has been recorded against the Property; provided, however, if the Final NFR Letter is materially consistent with the Draft NFR Letter (as approved by the City in accordance with this Section 11.02) and no new environmental conditions were discovered on the Property during construction of the Project, then the Final NFR Letter shall be presumed reasonably satisfactory to the City.

11.03 Survival. This Section 11 shall survive the termination of this Agreement.

SECTION 12. INSURANCE

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

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the

policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) Term of the Agreement

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance (in the form of a builder's risk policy) in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(ii) Post-construction, throughout the Term of the Agreement, the Partnership shall obtain and maintain All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

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

violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Each of the Partnership and the LLC agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

(ii) the Developer's or any contractor's failure to pay General 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 in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate of the Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

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

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer 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. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

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 Developer hereunder:

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any related agreement;

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity (after the expiration of any applicable cure period) if such failure may have a material adverse effect on the Developer's ability to perform, keep or observe any of its conditions, promises or obligations hereunder;

(c) the making or furnishing by the Developer 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, 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 and/or liens bonded by the Developer or insured by the Title Company, 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 the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against the Developer that impacts the Developer's ability to perform, keep or observe any of its conditions, promises or obligations hereunder and which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of the Partnership, the General Partner or the LLC;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns a material interest in the Developer, which is not

dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor);

(k) prior to the expiration of the Term of the Agreement and without the prior written consent of the City, (i) the sale or transfer of an ownership interest in the Developer, except to the extent that the syndicator of low-income tax credits, including the Limited Partner, may acquire or sell an interest in the Partnership, but only to one of its affiliates, or (ii) a change in the General Partner of the Partnership or the sole member of the LLC.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds and seek reimbursement from the Developer of any City Funds paid. 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 against the Developer, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer 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 the Developer has 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 the Developer shall fail to perform a non-monetary covenant which the Developer 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 the Developer has failed to cure such default within sixty (60) 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 sixty (60) day period, the Developer 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 sixty (60) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured which cure shall be completed within one-hundred eighty (180) days unless the City shall agree to extend such 180 day period in writing; provided, further, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of any default made or tendered by the Limited Partner shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by the Developer.

15.04 Right to Cure by Lender or Limited Partner. In the event that Developer fails to perform a covenant as set forth in Section 15.03 above, the City shall, prior to exercising any such right or remedy, send notice of such failure by Developer to the Lender and the Limited Partner in accordance with Section 17 (which notice may be sent concurrently with any notice sent to Developer pursuant to this Section 15) and the Lender or the Limited Partner shall have the right (but not the obligation) to cure such failure to perform by the Developer in the same manner and time period as the Developer provided however that Developer shall have such additional cure rights as follows:

(a) Notwithstanding the provisions of this Section 15 regarding the cure periods hereunder, if Developer's failure to perform is for a non-monetary covenant as set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or other failure to perform by the Developer that is not reasonably capable of being cured within such 60 day period (each such failure being a "Personal Developer Default"), the Lender or the Limited Partner shall provide written notice to the City within 30 days of receipt of

notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or the Limited Partner or any other party agreed to in writing by the Lender, the Limited Partner and the City. Upon receipt by the City of such notice from the Lender or the Limited Partner, as applicable, the cure period shall be extended for such reasonable period of time as the City may determine to be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Funds shall occur until such time as such Personal Developer Default is cured.

(b) If Developer's failure to perform involves any non-monetary covenant and such non-monetary default is not reasonably capable of being cured by the Lenders or the Investor Limited Partner within the applicable cure period, such period shall be extended, if possession of the Project is necessary to effect such cure, provided that the party seeking such cure must (i) have begun to cure such default within the applicable cure period and continues diligently to pursue such cure and (ii) the party seeking such cure must have instituted appropriate legal proceedings to obtain possession. In addition, upon such party obtaining possession of the Project, in the City's sole discretion, the City shall waive any Event of Default that cannot reasonably be cured.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on **Exhibit G** hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of

the obligations and liabilities of "the Developer" 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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default or indemnification obligation of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

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) overnight courier, or (c) registered or certified mail, return receipt requested.

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

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

If to the Developer: Cicero & George Limited Partnership
c/o Cicero and George Elderly Corporation
325 N. Wells Street, 8th Floor
Chicago, Illinois 60647
Attention: Mark Kruse

Hispanic Housing Cicero and George LLC
c/o Hispanic Housing Development Corporation
325 N. Wells Street, 8th Floor
Chicago, Illinois 60654
Attention: Mark Kruse

With Copies To: Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Blvd, Suite 400
Chicago, Illinois 60661

Attention: Bill Skalitzky

And to:

If to the Lender: Bank of America, N.A.
135 South LaSalle Street
Mail Code M01-076-04-02
Chicago, Illinois 60603
Attention: Stephen Sparks

With Copies To: Charity & Associates, P.C.
20 N. Clark Street, Suite 1150
Chicago, Illinois 60602
Attention: Elvin Charity

And to:

Limited Partner: Bank of America, N.A.
Mail Code: WA1-501-37-67
Fifth Avenue Plaza, Floor 37
800 5th Avenue
Seattle, WA 98104-3176
Attention: Todd McCain, Vice President
Facsimile: 206/585-8404

Special Limited Partner: Banc of America CDC Special Holding Company, Inc.
c/o Bank of America Merrill Lynch
Tax Credit Equity Investment Asset Management
NC1-007-11-25
100 North Tryon Street
Charlotte, NC 28202
Attention: Nicole Baldon, Vice President
Facsimile: 980/386-6662

With Copies To: Sidley & Austin, LLP
One South Dearborn
Chicago, Illinois 60603
Attention: David R. Hill

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 clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (c) 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 Exhibit A hereto without the consent of any party hereto, and DPD may grant consents as explicitly provided for under certain sections of this Agreement. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to materially reduce the scope of the Project, to materially change the Project or business operations of the Developer at the Property, or increases the City Funds payable to the Developer, or a change in the Term of the Agreement.

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

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

18.04 Further Assurances. The Developer 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 the Developer 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 the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

18.06 Remedies Cumulative. The remedies of 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 shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

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

18.09 Counterparts. This Agreement 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 any bond ordinances relating to the Redevelopment Area, if any, 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 satisfactory to the City.

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

18.15 Assignment. Except as provided in Section 8.01(j), the Developer 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 and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement. The foregoing limitation shall not prevent the Developer from collaterally assigning their respective interests in this Agreement to a lender that is providing Lender Financing for the Project, including any such lenders identified after the Closing Date and approved by the City that also require such collateral assignment so long as such collateral assignment does not give any such assignee lender any rights as Developer under this Agreement unless it assumes all of Developer's obligations under this Agreement as otherwise required by the City hereunder. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19(c) and 8.20. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. Neither the City nor the Developer 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, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall within ten (10) business days after the date of the occurrence of the event causing such delay, 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 the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

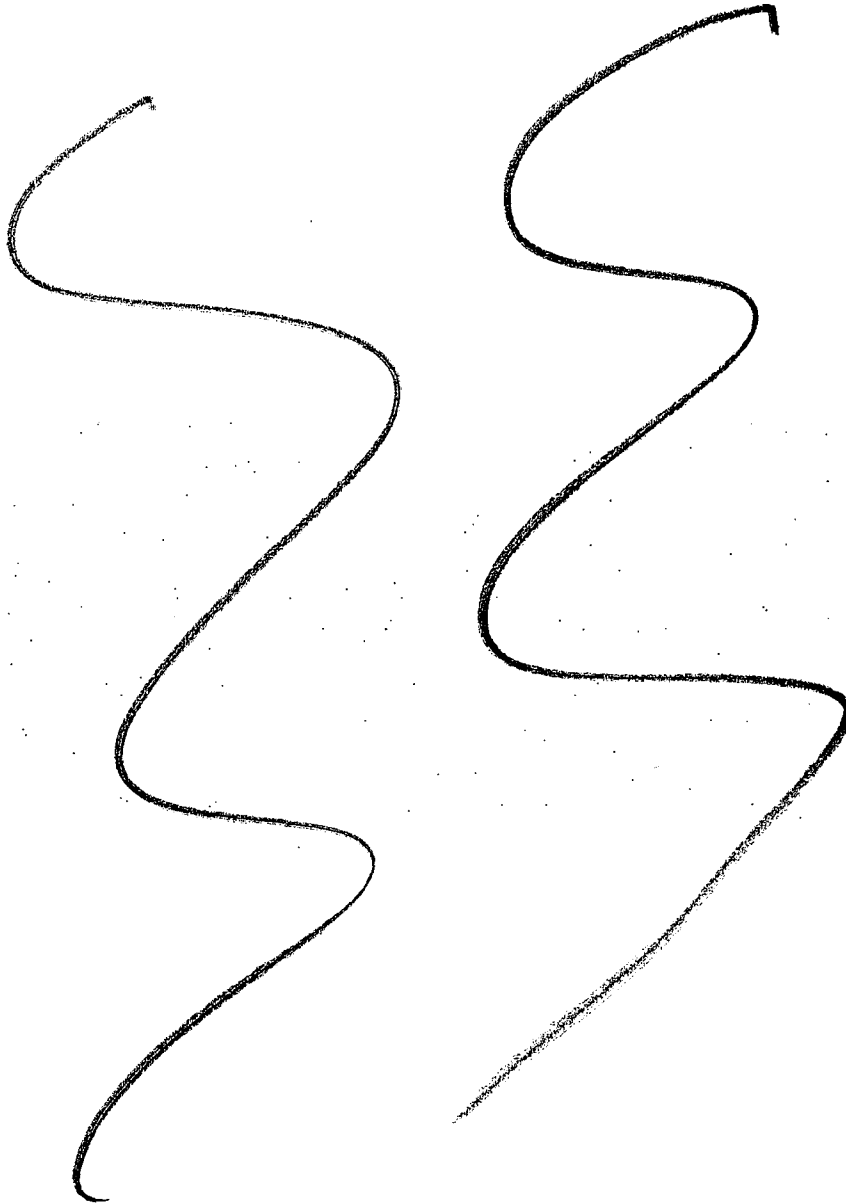
18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agree to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction

contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer 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.

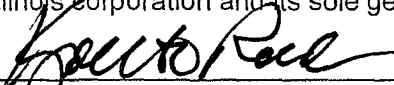
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

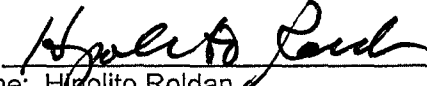
CICERO & GEORGE LIMITED PARTNERSHIP, an Illinois limited partnership

By: CICERO AND GEORGE ELDERLY CORPORATION, an Illinois corporation and its sole general partner

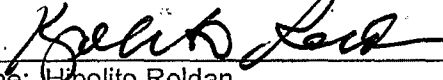
By: 
Name: Hipolito Roldan
Its: President

HISPANIC HOUSING CICERO AND GEORGE LLC, an Illinois limited liability Company

By: HISPANIC HOUSING DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation, its sole member

By: 
Name: Hipolito Roldan
Its: President

HISPANIC HOUSING DEVELOPMENT CORPORATION, An Illinois Not-for-Profit Corporation

By: 
Name: Hipolito Roldan
Its: President

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

By: _____
Name: Andrew J. Mooney
Its: Commissioner

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

CICERO & GEORGE LIMITED PARTNERSHIP, an Illinois limited partnership

By: **CICERO AND GEORGE ELDERLY CORPORATION**, an Illinois corporation and its sole general partner

By: _____
Name: Hipolito Roldan
Its: President

HISPANIC HOUSING CICERO AND GEORGE LLC, an Illinois limited liability Company

By: **HISPANIC HOUSING DEVELOPMENT CORPORATION**, an Illinois not-for-profit corporation, its sole member

By: _____
Name: Hipolito Roldan
Its: President

HISPANIC HOUSING DEVELOPMENT CORPORATION, An Illinois Not-for-Profit Corporation

By: _____
Name: Hipolito Roldan
Its: President

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

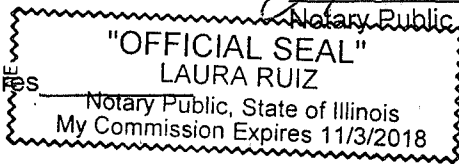
By: _____
Name: Andrew J. Mooney
Its: Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Laura Ruiz, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Hipolito Roldan, personally known to me to be the President of Cicero and George Elderly Corporation, an Illinois corporation (the "Corporation"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation, as his/her free and voluntary act and as the free and voluntary act of the Corporation, as general partner of Cicero & George Limited Partnership, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 21st day of November, 2014.

Laura Ruiz
Notary Public



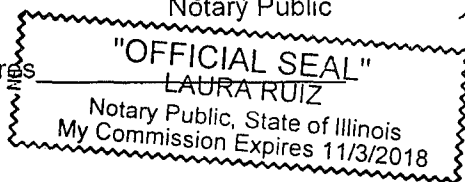
My Commission Expires
(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Laura Ruiz, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Hipolito Roldan, personally known to me to be the President of Hispanic Housing Development Corporation, an Illinois not-for profit corporation (the "Corporation") which is the sole member of Hispanic Housing Cicero and George LLC, an Illinois limited liability company (the "Company") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation as his free and voluntary act and as the free and voluntary act of the Corporation on behalf of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 21st day of November, 2014.

Laura Ruiz
Notary Public

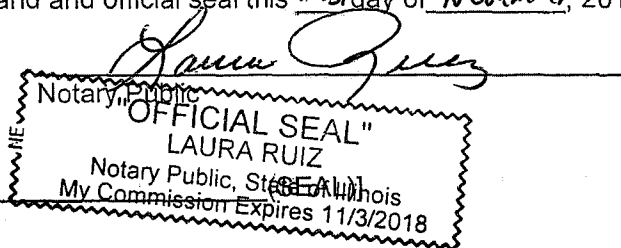


My commission expires
(SEAL)

(STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Laura Ruiz, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Hipolito Roldan, personally known to me to be the President of Hispanic Housing Development Corporation, an Illinois not-for profit corporation (the "Corporation") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation as his free and voluntary act and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 21st day of November, 2014.



My commission expires _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

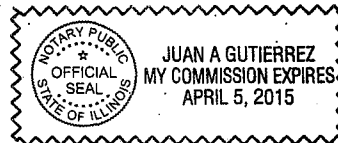
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner, he signed and delivered the said instrument pursuant to authority, as his free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 15th day of December 2014.



Notary Public

(SEAL)



LIST OF EXHIBITS

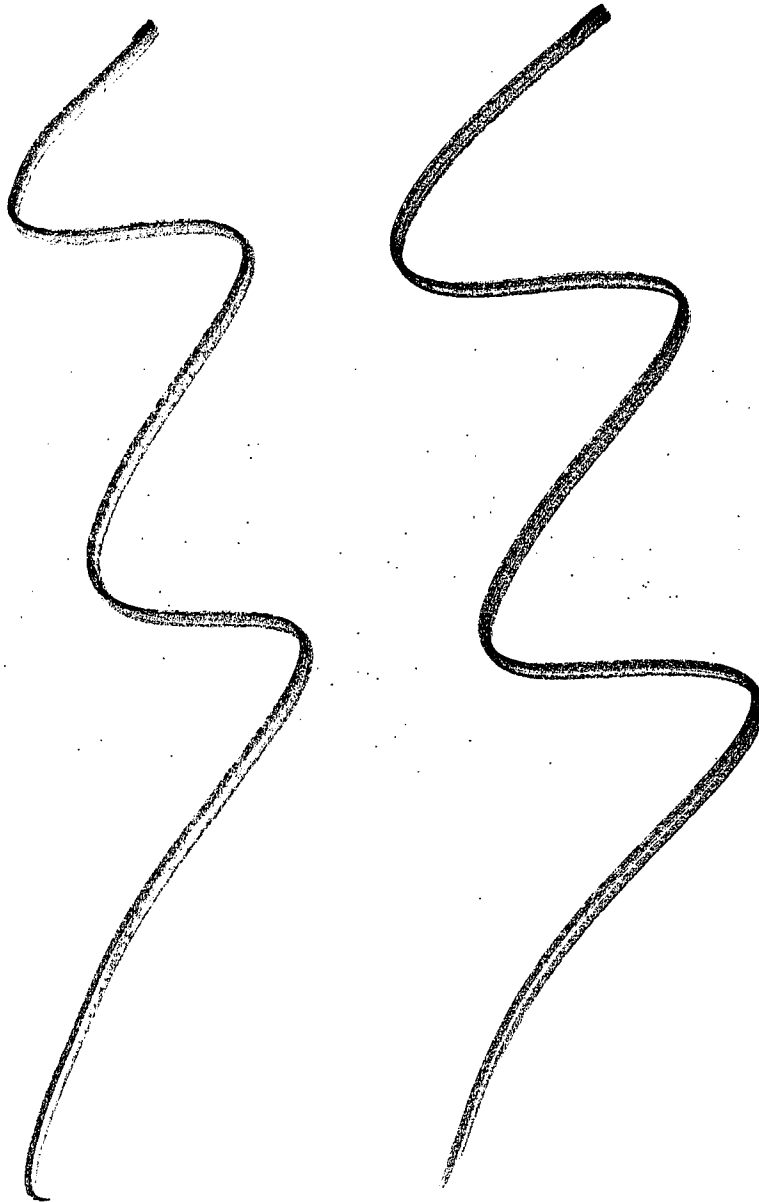
| | |
|-------------|---|
| Exhibit A | Legal Description of Redevelopment Area* |
| Exhibit B | Description of Project* |
| Exhibit C | Legal Description of Property* |
| Exhibit D | Redevelopment Plan |
| Exhibit E | Financing for the Project* |
| Exhibit F-1 | Project Budget* |
| Exhibit F-2 | MBE/WBE Project Budget* |
| Exhibit G | Permitted Liens* |
| Exhibit H | Approved Prior Expenditures |
| Exhibit I | Requisition Form |
| Exhibit J | TIF-Funded Improvements* |
| Exhibit K | Form of Subordination Agreement |
| Exhibit L | Opinion of Developer's Counsel |
| Exhibit M | Form of Payment Bond for Work in the Public Way |

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

EXHIBIT A

Legal Description of the Redevelopment Area

(See Attached)



*Legal Description For Belmont/Cicero
Redevelopment Area.*

All that part of Sections 21, 22, 27 and 28 in Township 40 North, Range 13 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the west line of North Leclaire Avenue with the north line of West Belmont Avenue; thence north along said west line of North Leclaire Avenue to the north line of West School Street; thence east along said north line of West School Street to the east line of North Lavergne Avenue; thence south along said east line of North Lavergne Avenue to the south line of Lot 24 in Block 5 in Edward's Subdivision of the southwest quarter of the southeast quarter of the southeast quarter of Section 21, Township 40 North,

Range 13 East of the Third Principal Meridian, said south line of Lot 24 in Block 5 in Edward's Subdivision being also the north line of the alley north of West Belmont Avenue; thence east along said north line of the alley north of West Belmont Avenue to the east line of Lot 46 in Block 4 in Edward's Subdivision of the southeast quarter of the southeast quarter of the southeast quarter of Section 21, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 46 being also the west line of the alley west of North Cicero Avenue; thence north along said west line of the alley west of North Cicero Avenue to the north line of West Roscoe Street; thence east along said north line of West Roscoe Street to the east line of Lot 1 in Moms Rifkin's Subdivision of Lot 36 (except the east 125 feet of the north 60 feet and except that part of the east 110 feet south of the north 60 feet) in Fred H. Bartlett's Subdivision of the south two-thirds of the north half of the southeast quarter of Section 21, Township 40 North, Range 13 East of the Third Principal Meridian; thence north along the east line of said Lot 1 in Morris Rifkin's Subdivision to a north line of said Lot 1, said north line of Lot 1 being also the south line of the north 60 feet of Lot 36 in Fred H. Bartlett's Subdivision; thence west along said north line of Lot 1 in Morris Rifkin's Subdivision to the north most east line of said Lot 1, said east line of Lot 1 being also the west line of the east 125 feet of the north 60 feet of Lot 36 in Fred H. Bartlett's Subdivision; thence north along said west line of the east 125 feet of the north 60 feet of Lot 36 in Fred H. Bartlett's Subdivision and along the east 125 feet of Lot 35 in said Fred H. Bartlett's Subdivision to a line 77 feet south of and parallel with the south line of West Newport Avenue; thence east along said line 77 feet south of and parallel with the south line of West Newport Avenue to a line 57 feet east of and parallel with the west line of the resubdivision of Lot 35 in F. H. Bartlett's Subdivision; thence north along said line 57 feet east of and parallel with the west line of the resubdivision of Lot 35 in F. H. Bartlett's Subdivision to the south line of West Newport Avenue; thence west along said south line of West Newport Avenue to the southerly extension of the west line of the east 125 feet of Lot 33 in said Fred H. Bartlett's Subdivision; thence north along said southerly extension and along the west line of the east 125 feet of Lots 33 and 34 in said Fred H. Bartlett's Subdivision and along the northerly extension thereof to the north line of West Cornelia Avenue; thence west along said north line of West Cornelia Avenue to the west line of Lots 1 through 6, inclusive, in Mionske's Resubdivision of Lot 1 in Fred H. Bartlett's Subdivision of the south two-thirds of the north half of the southeast quarter of Section 21, Township 40 North, Range 13 East of the Third Principal Meridian; thence north along said west line of Lots 1 through 6, inclusive, in Mionske's Resubdivision to the south line of Lot 1 in Block 4 in Hield and Martin's Addison Avenue Subdivision of the north one-third of the north half of the southeast quarter of Section 21, Township 40 North, Range 13 East of the Third Principal Meridian; thence west along said south line of Lot 1 in Block 4 in Hield and Martin's Addison Avenue Subdivision to the west line of said Lot 1; thence north along said west line of said Lot 1 in Block 4 in Hield and Martin's Addison

Avenue Subdivision and the northerly extension thereof and along the west line of Lots 1, 2 and 3 in Block 1 in said Hield and Martin's Addison Avenue Subdivision, and along the northerly extension thereof to the north line of West Addison Street; thence east along said north line of West Addison Street to the east line of Lot 114 in Koester and Zander's West Irving Park Subdivision of Lots 3 and 4 in the Circuit Court Partition of Section 21, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 114 in Koester and Zander's West Irving Park Subdivision being also the west line of the alley west of North Cicero Avenue; thence north along said west line of the alley west of North Cicero Avenue to the westerly extension of the north line of the south 30 feet of Lot 61 in said Koester and Zander's West Irving Park Subdivision; thence east along said westerly extension and the north line of the south 30 feet of Lot 61 in Koester and Zander's West Irving Park Subdivision to the west line of North Cicero Avenue; thence north along said west line of North Cicero Avenue to the north line of the south 60 feet of said Lot 61 in Koester and Zander's West Irving Park Subdivision; thence west along said north line of the south 60 feet of Lot 61 in Koester and Zander's West Irving Park Subdivision and along the westerly extension thereof to the east line of Lot 114 in said Koester and Zander's West Irving Park Subdivision; said east line of Lot 114 being also the west line of the alley west of North Cicero Avenue; thence north along said west line of the alley west of North Cicero Avenue to the south line of West Grace Street; thence east along said south line of West Grace Street to the west line of Lot 19 in Block 4 in Gross' Milwaukee Avenue Addition, a subdivision of parts of Blocks 19 and 22 and all of 18 and 23 to 25 in Grayland, a subdivision in the northwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 19 in Block 4 in Gross' Milwaukee Avenue Addition being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 20 in said Block 4 in Gross' Milwaukee Avenue Addition; thence west along said easterly extension and the south line of Lot 20 in said Block 4 in Gross' Milwaukee Avenue Addition to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the south line of Lot 24 in said Block 4 in Gross' Milwaukee Avenue Addition; thence east along said south line of Lot 24 in Block 4 in Gross' Milwaukee Avenue Addition and along the easterly extension thereof to the west line of Lot 30 in said Block 4 in Gross' Milwaukee Avenue Addition, said west line of Lot 30 being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 27 in said Block 4 in Gross' Milwaukee Avenue Addition; thence west along said easterly extension and the south line of Lot 27 in said Block 4 in Gross' Milwaukee Avenue Addition to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the north line of West Warwick Avenue; thence east along said north line of West Warwick Avenue to the northerly extension of the west line of Lot 19 in Block 5

in Gross' Milwaukee Avenue Addition, said west line of Lot 19 being also the east line of the alley east of North Cicero Avenue; thence south along said northerly extension and the east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 20 in said Block 5 in Gross' Milwaukee Avenue Addition; thence west along said easterly extension and the south line of Lot 20 in said Block 5 in Gross' Milwaukee Avenue Addition to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the south line of Lot 21 in said Block 5 in Gross' Milwaukee Avenue Addition; thence east along said south line of Lot 21 in Block 5 in Gross' Milwaukee Avenue Addition and along the easterly extension thereof to the west line of Lot 19 in said Block 5 in Gross' Milwaukee Avenue Addition, said west line of Lot 19 being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 23 in said Block 5 in Gross' Milwaukee Avenue Addition; thence west along said easterly extension and the south line of Lot 23 in said Block 5 in Gross' Milwaukee Avenue Addition to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the south line of Lot 26 in said Block 5 in Gross' Milwaukee Avenue Addition; thence east along said south line of Lot 26 in Block 5 in Gross' Milwaukee Avenue Addition and along the easterly extension thereof to the west line of Lot 30 in said Block 5 in Gross' Milwaukee Avenue Addition, said west line of Lot 30 being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 22 in said Block 6 in Gross' Milwaukee Avenue Addition; thence west along said easterly extension and south of the line of Lot 22 in said Block 6 in Gross' Milwaukee Avenue Addition to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the south line of Lot 23 in said Block 6 in Gross' Milwaukee Avenue Addition; thence east along said south line of Lot 23 in Block 6 in Gross' Milwaukee Avenue Addition and along the easterly extension thereof to the west line of Lot 19 in said Block 6 in Gross' Milwaukee Avenue Addition, said west line of Lot 19 being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 24 in said Block 6 in Gross' Milwaukee Avenue Addition; thence west along said easterly extension and the south line of Lot 24 in said Block 6 in Gross' Milwaukee Avenue Addition to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the south line of Lot 28 in said Block 6 in Gross' Milwaukee Avenue Addition; thence east along said south line of Lot 28 in Block 6 in Gross' Milwaukee Avenue Addition and along the easterly extension thereof to the west line of Lot 30 in said Block 6 in Gross' Milwaukee Avenue Addition, said west line of Lot 30 being also *the* east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the north line of West Addison Street; thence east along said north line of West Addison Street to the northerly extension

of the west line of Lot 7 in Block 2 in Wirth and Gilbert's Subdivision of the west half of the southwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian (except the east 40 acres thereof), said west line of Lot 7 in Block 2 in Wirth and Gilbert's Subdivision being also the east line of the alley east of North Cicero Avenue; thence south along said northerly extension and along the east line of the alley east of North Cicero Avenue to the easterly extension of the south line of Lot 58 in Koester and Zander's Subdivision of Blocks 1, 3, 4, 5, 6 and 7 and the west half of Block 2 in Wirth and Gilbert's Subdivision of the west half of the southwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the south line of Lot 58 in Koester and Zander's Subdivision to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the south line of the north 37.5 feet of Lot 59 in said Koester and Zander's Subdivision; thence east along said south line of the north 37.5 feet of Lot 59 in said Koester and Zander's Subdivision and along the easterly extension thereof to the west line of Lot 30 in Block 2 in Wirth and Gilbert's Subdivision of the west half of the southwest quarter of Section 22, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 30 being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the south line of West Belmont Avenue; thence west along said south line of West Belmont Avenue to the west line of Lot 45 in Koester and Zander's Section Line Subdivision in the northwest quarter of the northwest quarter of Section 27, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 45 in Koester and Zander's Section Line Subdivision being also the east line of the alley east of North Cicero Avenue; thence south along said east line of the alley east of North Cicero Avenue to the south line of West Diversey Avenue; thence west along said south line of West Diversey Avenue to the west line of Lot 16 in Neil's Buck and Company Resubdivision of Lots 1 to 38 in Buchanan's Resubdivision of Lots 1 to 21 and 24 to 38 and the private alley in Block 4 in S. S. Hayes Kelvyn Grove Addition to Chicago, a subdivision of the southwest quarter of Section 27, Township 40 North, Range 13 East of the Third Principal Meridian; thence south along said west line of Lot 16 in Neil's Buck and Company Resubdivision to the south line of said Lot 16, said south line of Lot 16, being also the north line of the alley south of West Diversey Avenue; thence east along said north line of the alley south of West Diversey Avenue to the northerly extension of the west line of Lot 30 in said Neil's Buck and Company Resubdivision; thence south along said northerly extension and the west line of Lot 30 in said Neil's Buck and Company Resubdivision to the north line of West Parker Avenue; thence east along said north line of West Parker Avenue to the northerly extension of the west

line of Lot 39 in Vognild and Jenisch's Resubdivision of Block 5 in S. S. Hayes Kelvyn Grove Addition to Chicago, a subdivision of the southwest quarter of Section 27, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 39 in Vognild and Jenisch's Resubdivision being also the east line of the alley east of North Cicero Avenue; thence south along said northerly extension and along the east line of the alley east of North Cicero Avenue and along the southerly extension thereof to the south line of West Wrightwood Avenue; thence west along said south line of West Wrightwood Avenue to the west line of the east 19 feet of Lot 9 in Block 13 in S. S. Hayes Kelvyn Grove Addition to Chicago, a subdivision of the southwest quarter of Section 27, Township 40 North, Range 13 East of the Third Principal Meridian; thence south along said west line of the east 19 feet of Lot 9 in Block 13 in S. S. Hayes Kelvyn Grove Addition to Chicago and along the southerly extension thereof to the north line of Lot 17 in said Block 13 in S. S. Hayes Kelvyn Grove Addition to Chicago, said north line of Lot 17 being also the south line of the alley south of West Wrightwood Avenue; thence west along said south line of the alley south of West Wrightwood Avenue to the east line of Lot 14 in said Block 13 in S. S. Hayes Kelvyn Grove Addition to Chicago; thence south along said east line of Lot 14 in said Block 13 in S. S. Hayes Kelvyn Grove Addition to Chicago and along the southerly extension thereof to the south line of West Deming Place; thence west along said south line of West Deming Place to the east line of Lot 22 in Block 20 in said S. S. Hayes Kelvyn Grove Addition to Chicago; thence south along said east line of Lot 22 in Block 20 in S. S. Hayes Kelvyn Grove Addition to Chicago to the south line thereof, said south line of Lot 22 in Block 20 in said S. S. Hayes Kelvyn Grove Addition to Chicago being also the north line of the alley north of West Altgeld Street; thence east along said north line of the alley north of West Altgeld Street to the northerly extension of the east line of the west half of Lot 26 in said Block 20 in S. S. Hayes Kelvyn Grove Addition to Chicago; thence south along said northerly extension and the east line of the west half of Lot 26 in said Block 20 in S. S. Hayes Kelvyn Grove Addition to Chicago and along the southerly extension thereof to the south line of West Altgeld Street; thence west along said south line of West Altgeld Street to the west line of Lot 30 in John J. Haverkamp, Jr.'s Resubdivision of Block 21 in S. S. Hayes Kelvyn Grove Addition to Chicago; thence south along said west line of Lot 30 in John J. Haverkamp, Jr.'s Resubdivision to the south line thereof, said south line of Lot 30 in John J. Haverkamp, Jr.'s Resubdivision being also the north line of the alley north of West Montana Street; thence west along said north line of the alley north of West Montana Street to the east line of North Cicero Avenue; thence south along said east line of North Cicero Avenue to the north line of West Montana Street, as said West Montana Street is laid out in the west half of the southwest quarter of Section 27, Township 40 North, Range 13 East of the Third Principal Meridian; thence west along the westerly extension of said north line of West Montana Street to the west line of North Cicero Avenue; thence south along said west line of North Cicero Avenue to the

north line of West Montana Street, as said West Montana Street is laid out in the east half of the southeast quarter of Section 28, Township 40 North, Range 13 East of the Third Principal Meridian; thence west along said north line of West Montana Street to the east line of Lot 47 in Block 13 in E. F. Kennedy's Resubdivision of Paul Stensland's Subdivision of the east half of the southeast quarter of Section 28, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 47 in Block 13 in E. F. Kennedy's Resubdivision being also the west line of the alley west of North Cicero Avenue; thence north along said west line of the alley west of North Cicero Avenue to the north line of Lot 11 in Block 1 in Hield's Subdivision of Blocks 1 to 6 and 9 to 12 in Falconer's Addition to Chicago, a subdivision of the north half of the northeast quarter of Section 28, Township 40 North, Range 13 East of the Third Principal Meridian, said north line of Lot 11 being also the south line of the alley south of West Belmont Avenue; thence west along said south line of the alley south of West Belmont Avenue to the southerly extension of the west line of Lot 20 in Block 8 in Falconer's Addition to Chicago, a subdivision of the north half of the northeast quarter of Section 28, Township 40 North, Range 13 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 20 in Block 8 in Falconer's Addition to Chicago to the south line of West Belmont Avenue; thence west along said south line of West Belmont Avenue to the west line of Lot 21 in said Block 8 in Falconer's Addition to Chicago; thence south along said west line of Lot 21 in said Block 8 in Falconer's Addition to Chicago and along the southerly extension thereof to the north line of Lot 25 in said Block 8 in Falconer's Addition to Chicago, said north line of Lot 25 being also the south line of the alley south of West Belmont Avenue; thence west along said south line of the alley south of West Belmont Avenue to the southerly extension of the west line of Lot 20 in Block 9 in Hield's Subdivision of Blocks 9, 10, 11 and 12 in Falconer's Addition to Chicago, a subdivision of the north half of the northeast quarter of Section 28, Township 40 North, Range 13 East of the Third Principal Meridian; thence north along said southerly extension and the west line of Lot 20 in Block 9 in Hield's Subdivision to the south line of West Belmont Avenue; thence west along said south line of West Belmont Avenue to the east line of North Leclaire Avenue; thence south along said east line of North Leclaire Avenue to the easterly extension of the north line of Lot 44 in Steven's Belmont and Laramie Avenue Subdivision of Block 16 in aforesaid Falconer's Addition to Chicago, said north line of Lot 44 being also the south line of the alley south of West Belmont Avenue; thence west along said easterly extension to the west line of North Leclaire Avenue; thence north along said west line of North Leclaire Avenue to the point of beginning at the north line of West Belmont Avenue, all in the City of Chicago, Cook County, Illinois.

EXHIBIT B

Description of the Project

The Developer will build a new 6-story building comprised of 1 studio, 64 1-bedroom units and 5 2-bedroom units. Amenities include on-site parking, balconies, outdoor space, a community room, work-out room, laundry facilities and on-site management office and a live-in maintenance supervisor. The exterior of the building is designed to compliment neighboring properties and incorporate modern materials to anchor the community.

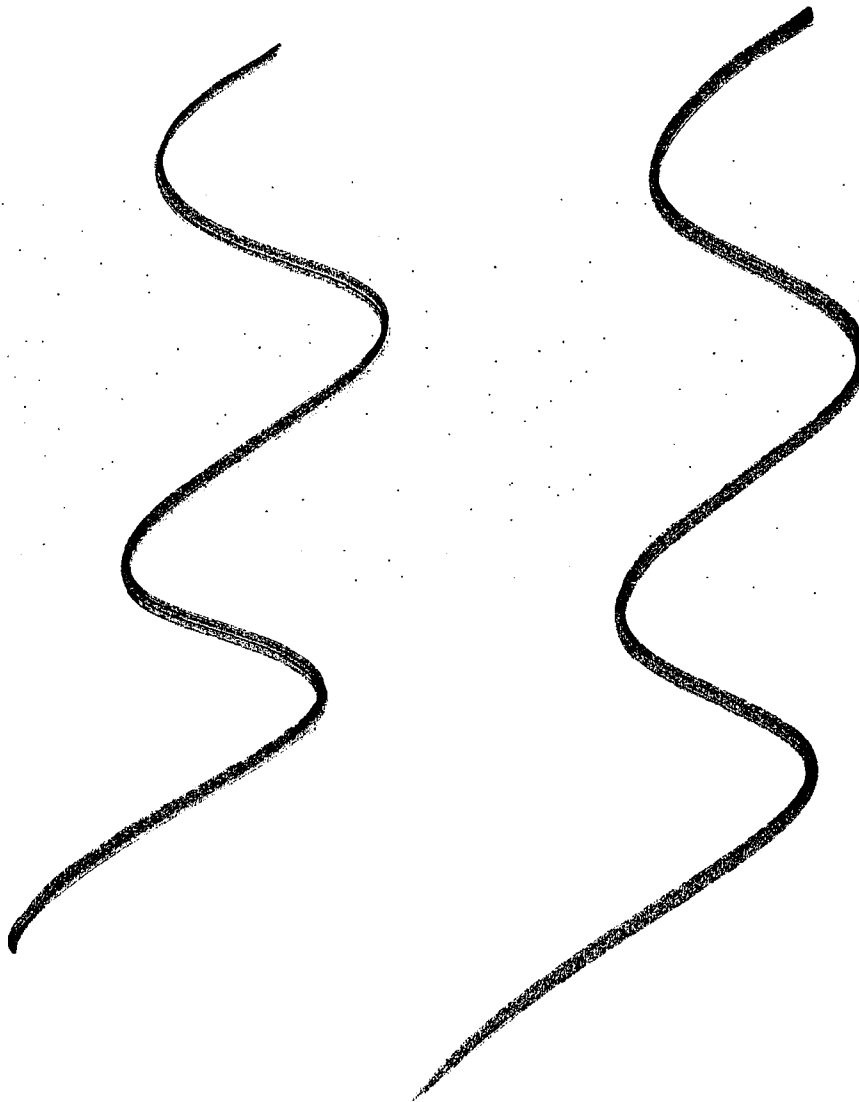


EXHIBIT C

Legal Description of Property

(Subject to Final Title and Survey)

LOTS 6, 7, 8 9 AND 10 IN BLOCK 2 IN FALCONERS SECOND ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH ½ OF THE NORTHEAST ¼ OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. ✓

PINS: 13-28-223-029, 13-28-223-030, 13-28-223-031, 13-28-223-032, and 13-28-223-033 ✓

Commonly Known Address or Location: 4800 West George Street (a/k/a 2900-12 North Cicero Avenue) in Chicago, Illinois 60641. ✓

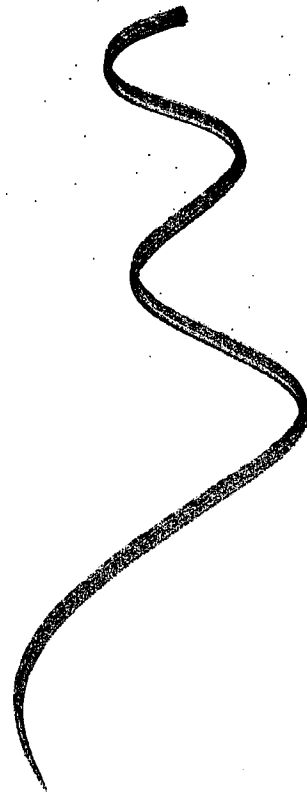
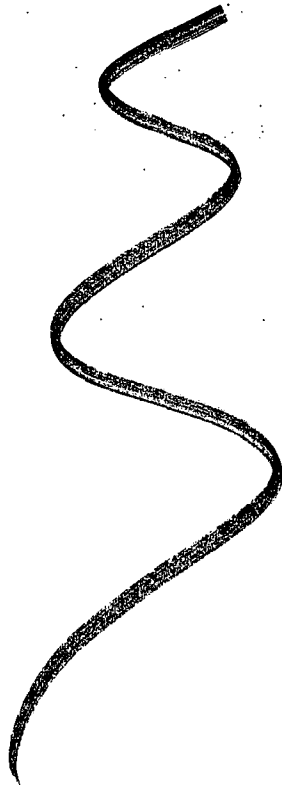


EXHIBIT D

Redevelopment Plan

(Not attached for Recording Purposes)

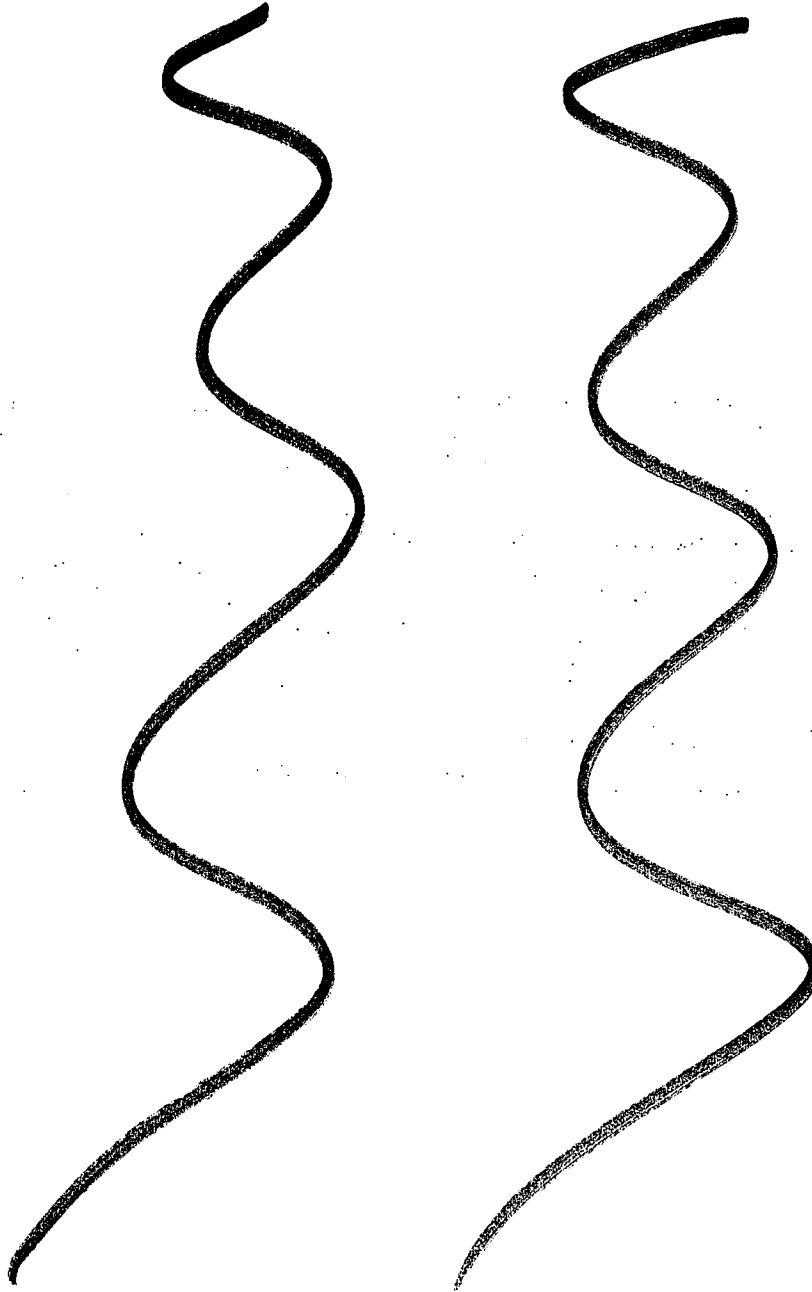


EXHIBIT E

Financing for the Project

BORROWER: Cicero & George Limited Partnership, an Illinois limited partnership with Cicero and George Elderly Corporation, an Illinois corporation (whose sole owner is Hispanic Housing Cicero and George LLC, an Illinois limited liability company (the "LLC") of which Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("HHDC"), is the sole member), as the sole general partner (the "General Partner") and others to be hereafter selected as the limited partners

PROJECT: Construction of a multi-story building to be located thereon at 4800 West George Street in Chicago, Illinois and of approximately 69 dwelling units contained therein as a studio and one- and two-bedroom units for low- and moderate-income persons, together with one maintenance employee dwelling unit, certain common space, offices, and parking.

LOAN:

| | |
|-----------|---|
| Source: | Multi-Family Program Funds |
| Amount: | Not to exceed \$5,100,000 |
| Term: | Not to exceed 32 years |
| Interest: | Zero percent per annum, or another interest rate acceptable to the Authorized Officer |
| Security: | Non-recourse loan; second mortgage on the Property (the "City Mortgage") |

ADDITIONAL FINANCING:

- | | |
|-----------|---|
| Amount: | Not to exceed \$10,500,000 (the "Construction Loan") |
| Term: | Not to exceed 36 months, or another term acceptable to the Authorized Officer |
| Source: | Bank of America, NA, or another entity acceptable to the Authorized Officer |
| Interest: | A variable rate of interest that (i) is equal to 30 day LIBOR, plus 250 basis points, daily floating; or (ii) any other interest rate that complies with all applicable law and is acceptable to the Authorized Officer |
| Security: | A mortgage on the Property senior to the lien of the City Mortgage, a pledge of capital contributions and general partner interests or such other security as may be acceptable to the Authorized Officer |
- | | |
|---|---|
| Low-Income Housing Tax Credit ("LIHTC") Proceeds: | Approximately \$12,350,000, all or a portion of which may be paid in on a delayed basis, and all or a portion of which may be used to retire a portion of the Construction Loan |
| Source: | To be derived from the syndication of a LIHTC |

allocation of approximately \$1,150,000 by the City

3. Amount: Not to exceed \$4,000,000
 Term: Not to exceed 32 years
 Source: LLC, derived from the proceeds of a grant of Tax Increment Financing, a portion of which shall be used to retire a portion of the Construction Loan, or another source acceptable to the Authorized Officer

 Interest: A fixed interest rate of interest not to exceed 10 percent per annum, or another interest rate acceptable to the Authorized Officer

 Security: Mortgage on the Property junior to the lien of the City Mortgage, or such other security as may be acceptable to the Authorized Officer
4. Amount: Approximately \$420,000
 Term: Not to exceed 32 years
 Source: HHDC, derived from the proceeds of a grant from the Federal Home Loan Bank of Chicago (FHLB) Affordable Housing Program, or another source acceptable to the Authorized Officer

 Interest: A fixed rate of interest not to exceed 10 percent per annum, or another interest rate acceptable to the Authorized Officer

 Security: Mortgage on the Property junior to the lien of the City Mortgage, or such other security as may be acceptable to the Authorized Officer
5. Amount: Approximately \$320,000
 Source: HHDC, derived from the proceeds of a grant from the Illinois Department of Commerce and Economic Opportunity, or another source acceptable to the Authorized Officer, and to be added to the Partnership equity as a capital contribution
6. Amount: Approximately \$75,000
 Source: HHDC, derived from the proceeds of a grant from the Illinois Clean Energy Fund (ICEF), or another source acceptable to the Authorized Officer, and to be added to the Partnership equity as a capital contribution
7. Amount: \$100
 Source: General Partner

EXHIBIT F-1

Project Budget

| | |
|---|---------------------------------------|
| ACQUISITION: | |
| LAND COST | 1,389,000 |
| HOLDING COSTS | 1,300,000 |
| | SUBTOTAL ACQUISITION |
| | 2,689,000 |
| SITE WORK: | |
| RESIDENTIAL CONSTRUCTION COSTS | 13,455,187 |
| | SUBTOTAL SITE WORK COST |
| | 13,455,187 |
| HARD COSTS | |
| GENERAL CONDITIONS | 807,311 |
| CONTRACTOR OVERHEAD | 220,728 |
| CONTRACTOR PROFIT | 807,311 |
| PERMIT FEES | 56,174 |
| FF & e (NOT RESERVES) | 50,000 |
| | SUBTOTAL OTHER HARD COSTS |
| | 1,941,524 |
| CONSTRUCTION CONTINGENCY | 707,895 |
| | SUBTOTAL SITE & HARD COSTS |
| | 16,104,606 |
| SOFT COSTS: | |
| ARCHITECT: DESIGN | 575,000 |
| ARCHITECT: SUPERVISOR | |
| CIVIL ENGINEERING | 90,000 |
| LEGAL | 162,226 |
| ACCOUNTING/COST CERTIFICATION | 15,000 |
| SURVEY | 15,950 |
| APPRAISAL | 7,000 |
| ENVIRONMENTAL REPORT | 55,000 |
| MARKET STUDY | 20,500 |
| TITLE & RECORDING | 25,000 |
| MARKETING | 50,000 |
| OTHER SOFT COSTS | 39,016 |
| SOFT COST CONTINGENCY | 17,266 |
| | SUBTOTAL SOFT COST |
| | 1,071,958 |
| FINANCING | |
| 9% RESERVATION FEE AND CARRYOVER | 57,750 |
| OTHER LEGAL FEES | 50,000 |
| OTHER LENDER FEES | 95,148 |
| LENDER'S INSPECTING ARCHITECT | 20,000 |
| OTHER FINANCING COSTS | 16,500 |
| | SUBTOTAL FINANCING |
| | 239,398 |
| SYNDICATION LEGAL | 61,750 |
| | SUBTOTAL SYNDICATION |
| | 61,750 |
| INTERIM COSTS | |
| CONSTRUCTION/BRIDGE PERIOD INTEREST | 475,000 |
| SERVICING FEES DURING CONSTRUCTION | |
| R E TAXES DURING CONSTRUCTION | 25,000 |

| | |
|-------------------------------|-------------------|
| INSURANCE DURING CONSTRUCTION | 30,000 |
| SUBTOTAL INTERIM COSTS | 530,000 |
| RESERVE COSTS | |
| REAL ESTATE TAX RESERVE | 34,650 |
| INSURANCE RESERVE | 20,213 |
| REPLACEMENT RESERVE | 21,000 |
| INITIAL RENT UP RESERVE | 125,000 |
| OPERATING RESERVE | 210,000 |
| OTHER RESERVE | |
| SUBTOTAL RESERVE COSTS | 410,863 |
| DEVELOPER COSTS | |
| DEVELOPER FEE | 1,000,000 |
| SUBTOTAL DEVELOPER FEE | 1,000,000 |
| Total Uses | 22,107,575 |

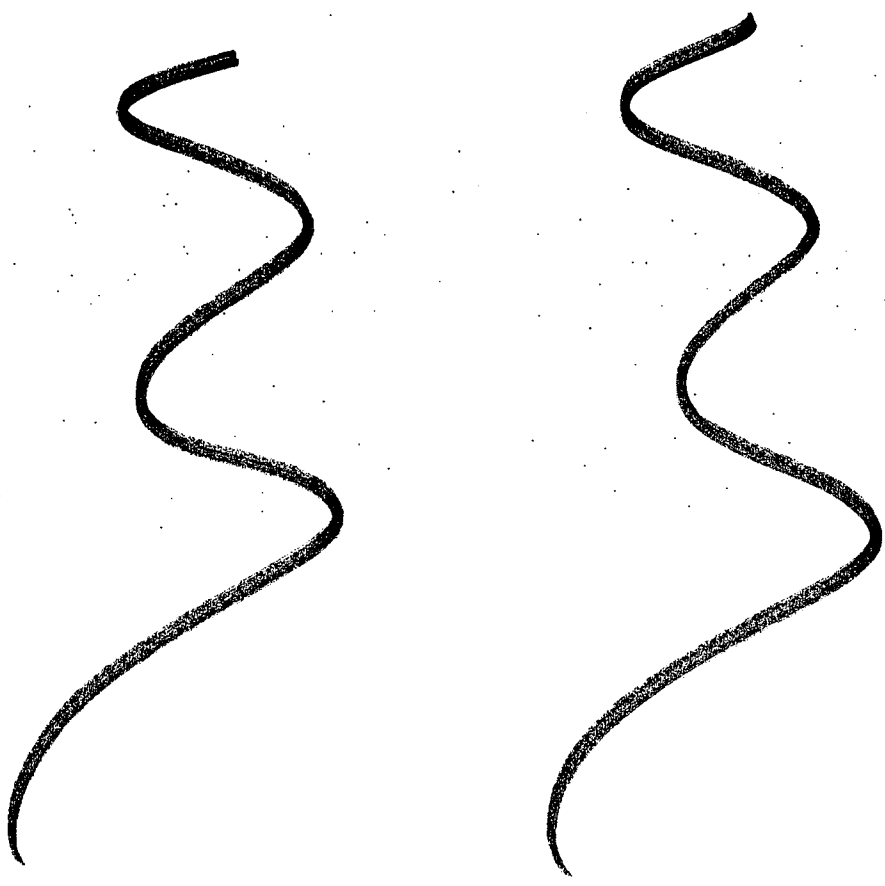


EXHIBIT F-2

MBE/WBE Project Budget

| | |
|--------------------------------|------------------|
| Residential Construction Costs | \$13,455,187 |
| Architect & Engineering Costs | <u>665,000</u> |
| TOTAL MBE/WBE BUDGET | \$14,120,187 |
| 24% MBE Requirement = | \$3,388,845 |
| 4% WBE Requirements = | \$564,807 |

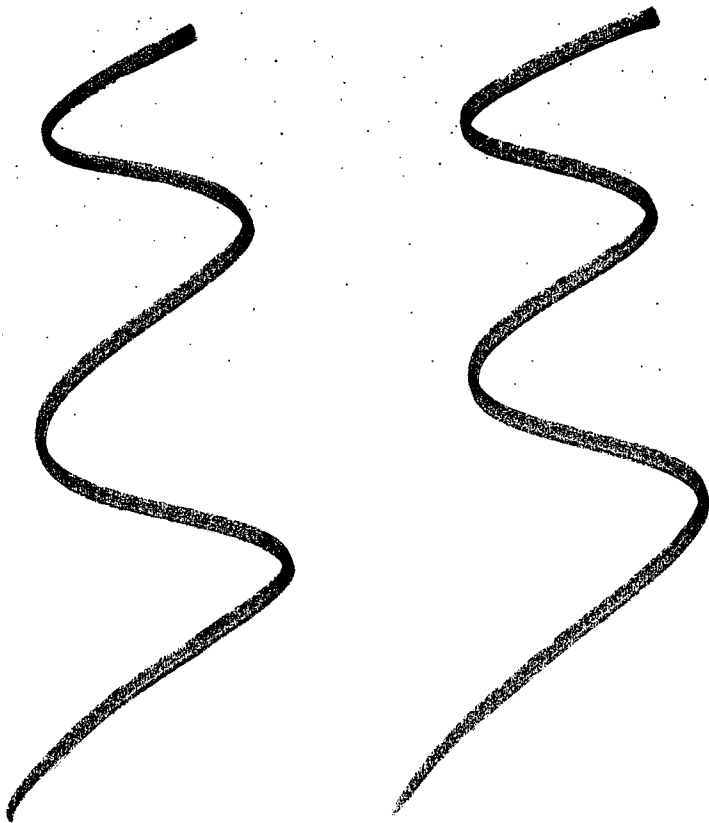


EXHIBIT G

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.

2. Liens or encumbrances against the Developer or the Project, including

- (a) liens against the Property and pledges and security agreements granted in connection with the financing sources set forth in Section 4.01 and Exhibit E; and
- (b) the provisions in the amended and restated limited partnership agreement between the General Partner and Limited Partner of even date herewith that provide for the possible future conveyance of ownership of the Project and Property at or after the end of the initial fifteen year tax credit compliance period (such provisions being hereafter referred to as the "Option Provisions"); which such Option Provisions shall not be recorded. Notwithstanding the foregoing, the City shall not be deemed, by this or any reference to the Option Provisions, to have agreed to the exercise of any right or option contained in the Option Provisions, and the Owner shall not exercise any rights under the Option Provisions without the City's prior written consent in accordance with Section 8 of the City's Mortgage executed and recorded herewith, which consent the City may grant or deny in its sole discretion.

EXHIBIT H

Approved Prior Expenditures

(Not attached for Recording Purposes)

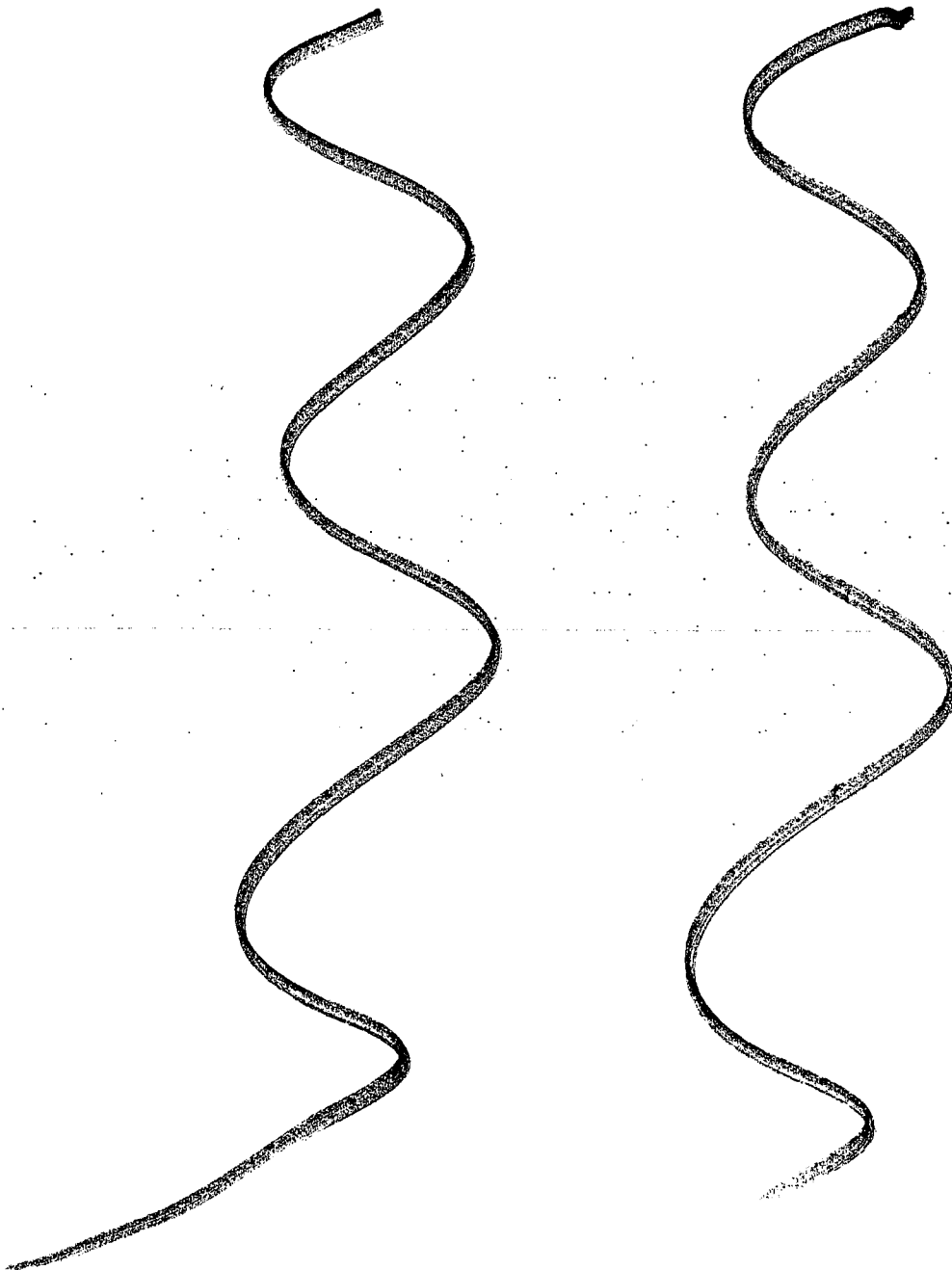


EXHIBIT I
REQUISITION FORM

(Not attached for Recording Purposes)

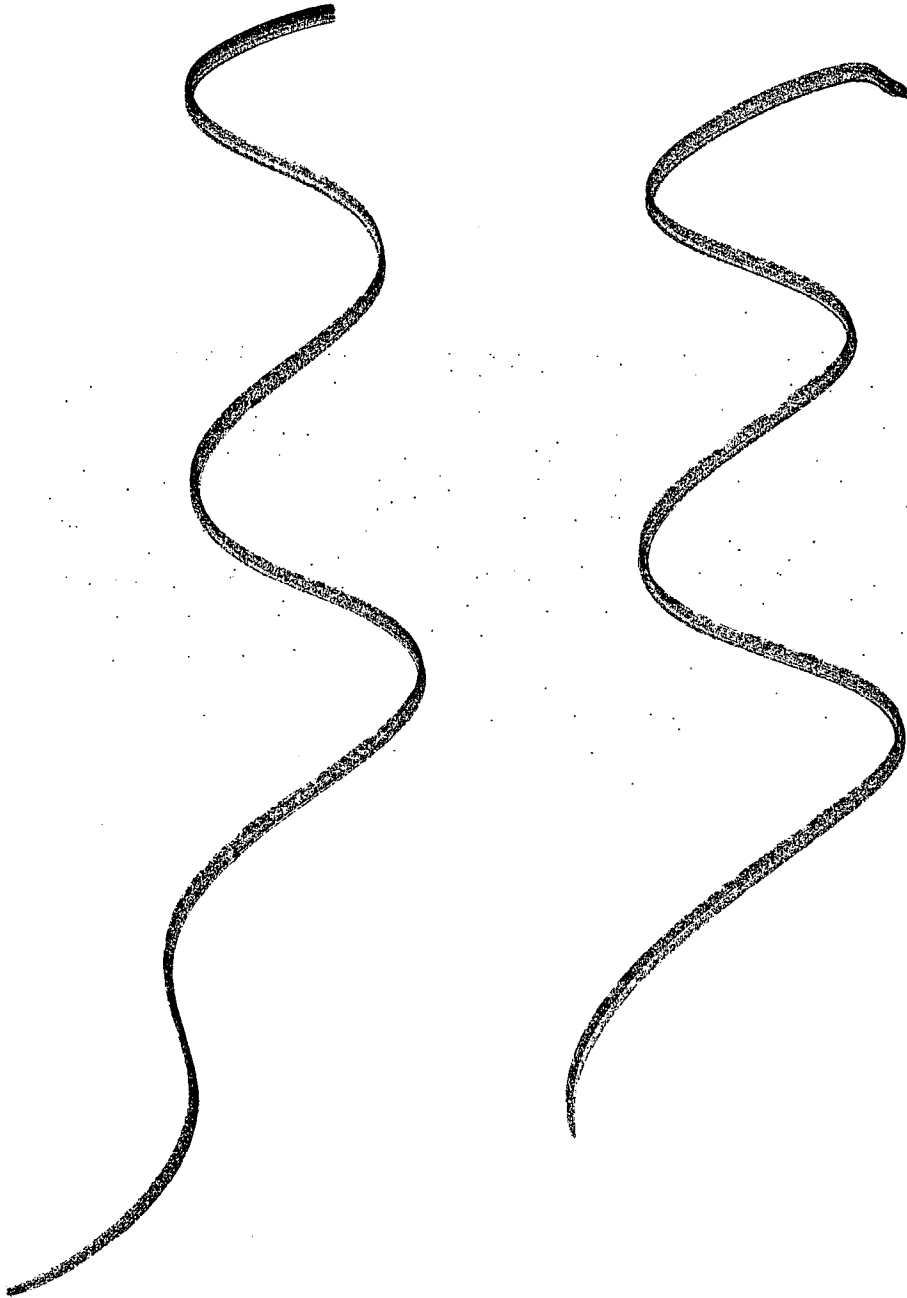


EXHIBIT J

TIF-Eligible Costs*

| <u>Line Item</u> | <u>Cost</u> |
|---|-------------|
| Professional & Administrative | 665,000 |
| Property assembly & site prep | 1,389,000 |
| Financing costs including interest costs during construction & for 36 months after project completion & for reasonable reserves | 356,250 |
| Construction, renovation, rehabilitation of low and very low-income housing up to 50% of project costs | 7,081,541 |
| TOTAL TIF FUNDED IMPROVEMENTS | 9,491,791 |

*The maximum amount of the City Funds provided to the developer shall not exceed \$4,000,000.

EXHIBIT K

FORM OF SUBORDINATION AGREEMENT

(Not attached for Recording purposes)

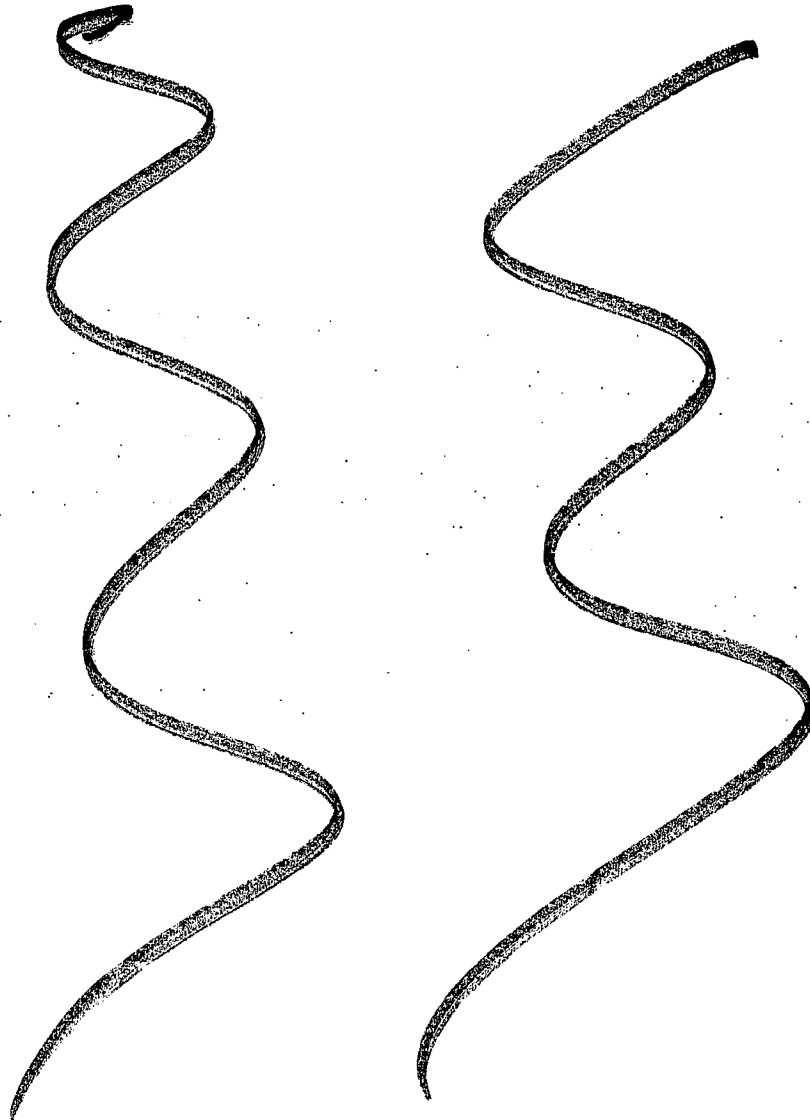


EXHIBIT L

Opinion of Developer's Counsel

(Not attached for Recording Purposes)

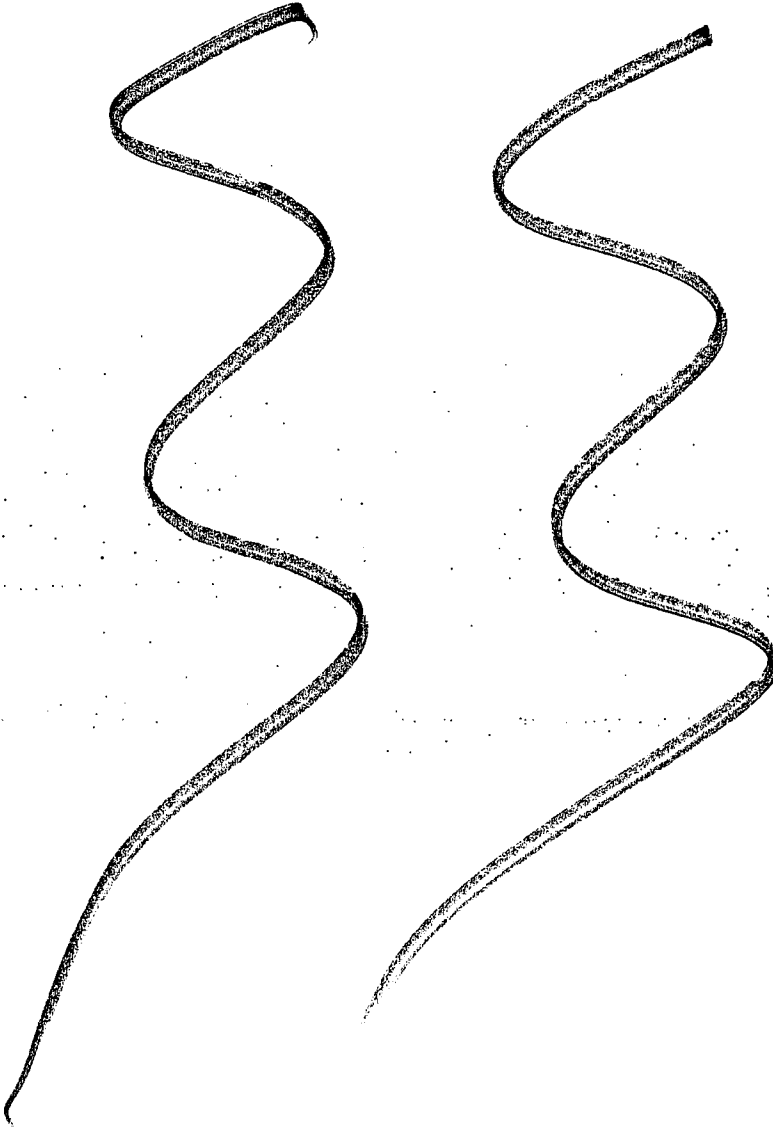


EXHIBIT M

Form of Payment Bond for Work in the Public Way
(Not attached for Recording Purposes)

