
2013 Annual Report

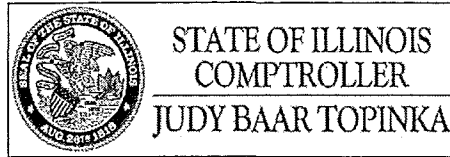
**Pulaski Corridor
Redevelopment Project Area**



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2014

FY 2013
ANNUAL TAX INCREMENT FINANCE
REPORT



Name of Municipality: City of Chicago Reporting Fiscal Year: 2013
 County: Cook Fiscal Year End: 12 /31/2013
 Unit Code: 016/620/30

TIF Administrator Contact Information			
First Name: <u>Andrew J.</u>	Last Name: <u>Mooney</u>		
Address: <u>City Hall, 121 N. LaSalle</u>	Title: <u>Administrator</u>		
Telephone: <u>(312) 744 0025</u>	City: <u>Chicago, IL</u>	Zip: <u>60602</u>	
Mobile: <u>n/a</u>	E-mail: _____		
Mobile Provider: <u>n/a</u>	Best way to contact: <input checked="" type="checkbox"/> Email	<input type="checkbox"/> Phone	
	<input type="checkbox"/> Mobile	<input type="checkbox"/> Mail	

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of _____
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]
 _____ 6.24.14
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	12/31/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: 2013
 Fiscal Year End: 12 / 31 / 2013

53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: 2013
 Fiscal Year End: 12 / 31 / 2013

Devon/Western	11/3/1999	12/31/2023
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2013
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan-Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: 2013
 Fiscal Year End: 12 / 31 / 2013

Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2013**

Name of Redevelopment Project Area: Pulaski Industrial Corridor Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed
If "Combination/Mixed" List Component Types: Industrial/Commercial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2013, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

FY 2013

TIF NAME: Pulaski Corridor Redevelopment Project Area

Fund Balance at Beginning of Reporting Period

\$ 13,372,841

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	2,011,959	\$ 30,638,258	92%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	28,145	423,900	1%
Land/Building Sale Proceeds		380,000	1%
Note Proceeds		1,685,250	5%
Transfers from Municipal Sources			0%
Private Sources			0%
Miscellaneous Revenue		22,721	0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

2,040,104

Cumulative Total Revenues/Cash Receipts

\$ 33,150,129 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

1,478,564

Transfers to Municipal Sources

720,269

Distribution of Surplus

-

Total Expenditures/Disbursements

2,198,833

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

(158,729)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 13,214,112

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Total Amount Designated (Carried forward from Section 3.3)

\$ 13,214,112

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)

\$ -

8. Financing costs. Subsection (q) (6) and (o)(8)

\$ -

9. Approved capital costs. Subsection (q)(7) and (o)(9)

\$ -

10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY

\$ -

11. Relocation costs. Subsection (q)(8) and (o)(10)

\$ -

12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)

\$ -

13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)

\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,478,564

Section 3.2 B

FY 2013

TIF NAME: Pulaski Corridor Redevelopment Project Area

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

Name	Service	Amount
City Staff Costs ¹	Administration	\$39,699
Northwest Connection Chamber	Professional Service	\$12,141
U.S. Equities	Professional Service	\$15,475
Capitol Cement Co.	Public Improvement	\$154,862
Chicago Department of Transportation	Public Improvement	\$10,474
ARUP No. America	Public Improvement	\$108,706
METRA-Commuter Rail Division	Public Improvement	\$1,116,652

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2013

TIF NAME: Pulaski Corridor Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 13,214,112

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Restricted for debt service	\$ -	\$ -

Total Amount Designated for Obligations \$ - | \$ -

2. Description of Project Costs to be Paid		
Restricted for future redevelopment project costs		\$ 13,214,112

Total Amount Designated for Project Costs \$ 13,214,112

TOTAL AMOUNT DESIGNATED \$ 13,214,112

SURPLUS*/(DEFICIT) \$ -

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2013

TIF NAME: Pulaski Industrial Corridor Redevelopment Project Area

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X No property was acquired by the Municipality Within the Redevelopment Project Area

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2013

TIF NAME: Pulaski Industrial Corridor Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGESCheck here if **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area: _____**ENTER** total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.3

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken	\$ -	\$ -	\$ 17,213,230
Public Investment Undertaken	\$ 1,737,029	\$ 4,500,000	\$ 6,700,600
Ratio of Private/Public Investment	0		2 33/58

Project 1:**Small Business Improvement Fund (SBIF) ****

Project is Ongoing ***

Private Investment Undertaken			\$ 3,000,000
Public Investment Undertaken	\$ 886,013	\$ 350,000	\$ 1,500,000
Ratio of Private/Public Investment	0		2

Project 2:**TIFWorks - Pulaski Industrial Corridor ****

Project is Ongoing ***

Private Investment Undertaken			
Public Investment Undertaken	\$ 851,016	\$ 150,000	\$ 1,200,600
Ratio of Private/Public Investment	0		0

Project 3:**North and Pulaski Senior Housing**

Project is Ongoing ***

Private Investment Undertaken			\$ 14,213,230
Public Investment Undertaken		\$ 4,000,000	\$ 4,000,000
Ratio of Private/Public Investment	0		3 26/47

Project 4:

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

Project 5:

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

Project 6:

Private Investment Undertaken (See Instructions)

Public Investment Undertaken

Ratio of Private/Public Investment

0

0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

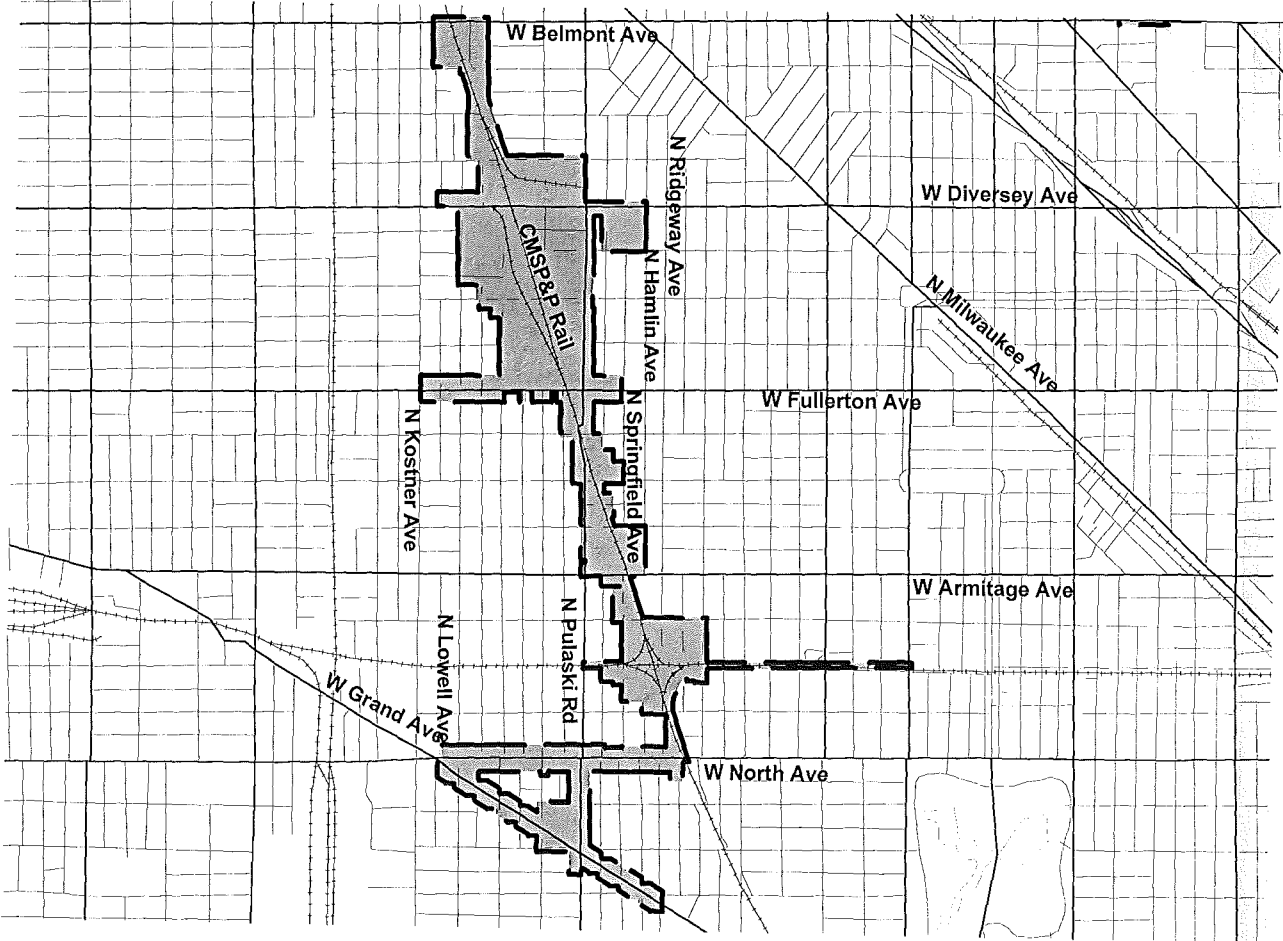
(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

Pulaski Corridor Redevelopment Project Area 2013 Annual Report



STATE OF ILLINOIS)

) SS

Attachment B

COUNTY OF COOK)

CERTIFICATION

TO:

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Barbara Byrd-Bennett
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

James R. Dempsey
Associate Vice Chancellor-Finance
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Herman Brewer
Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Pulaski Corridor Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B


1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2013, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2014.

Handwritten signature of Rahm Emanuel in black ink, written in a cursive style. The signature is positioned above a horizontal line.

Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW
CITY OF CHICAGO

June 30, 2014

Attachment C

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Barbara Byrd-Bennett
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

James R. Dempsey
Associate Vice Chancellor-Finance
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District
of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Herman Brewer
Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

Re: Pulaski Corridor
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attachment C

Opinion of Counsel for 2013 Annual Report
Page 2

June 30, 2014

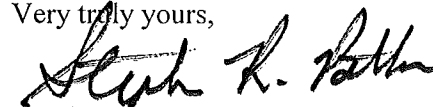
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

ATTACHMENT D

Activities Statement

Projects that were implemented during the preceding fiscal year are set forth below:

<u>Name of Project</u>
North and Pulaski Sr Housing

(4)
 [leave blank 3" x 5" space for recorder's office]



Doc#: 1321418101 Fee: \$198.0
 RHSP Fee: \$9.00 RPRF Fee: \$1.00
 Karen A. Yarbrough
 Cook County Recorder of Deeds
 Date: 08/02/2013 03:02 PM Pg: 1 of 81.

21 2222

This agreement was prepared by and
 after recording return to:
 Judith A. El-Amin, Esq.
 City of Chicago Law Department
 121 North LaSalle Street, Room 600
 Chicago, IL 60602

NORTH AND PULASKI ELDERLY LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT

This North and Pulaski Elderly Limited Partnership Redevelopment Agreement (this "Agreement") is made as of this 2nd day of August, 2013, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and North and Pulaski Elderly Limited Partnership, an Illinois limited partnership (the "Partnership"), Hispanic Housing North and Pulaski 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"). Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

RECITALS

A. 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 "the City Council") adopted certain ordinances on June 9, 1999, approving a redevelopment plan (the "Original Plan") for the Pulaski Corridor TIF Redevelopment Area (the "Area"), designating the Area as a "redevelopment project area" under the Act, and adopting tax increment allocation financing for the Area (collectively, the "Original TIF Ordinances"). The Original Plan was amended by an ordinance (the "Plan Amended Ordinance") adopted by the City Council on October 2, 2012 (the "Plan Amendment" together with the Original Plan are referred to herein as the "Redevelopment Plan") (collectively, the Original TIF Ordinances with the Plan Amended Ordinance are referred to herein as the "TIF Ordinances"). The Area is legally described in Exhibit A hereto.

81 pages

B. The Project: The Developer intends to undertake the redevelopment project described in Exhibit B hereto with respect to certain property located within the Area and commonly known as 3939-59 W. North Ave., Chicago, Illinois 60651 and legally described on Exhibit C-1 (the "Property"). HHDC has submitted a proposal to HED to purchase the Property from the City for One Dollar (\$1.00), and thereafter immediately transfer the Property to the Partnership for the redevelopment project described in Exhibit B hereto.

C. Redevelopment Plan: The Project will be carried out in accordance with this Agreement, the Redevelopment Plan, attached hereto as Exhibit D, as amended from time-to-time, and the Planned Development, as defined in Section 2.

D. Prior TIF Obligations: The City's TIF payment obligations in the Area have priority to this Project are: (i) Chicago/Central Park (Modern Schools-Westinghouse), (ii) Chicago Public School ADA Renovations Ph.1 McAuliffe, (iii) Small Business Improvement Fund, and (iv) TIF Works Job Training.

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.

"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 (6) compliance with all other executory provisions of the RDA.

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

"Architect's Certificate" shall mean a certificate from an architect indicating that the Project is 25% complete or 50% complete, as applicable.

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

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes now and hereafter on deposit in the Area TIF Fund after payment by the City of the Prior Obligations as defined in Paragraph D of the Recitals.

"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.

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

"DCEO Grant" shall mean the grant in the amount of \$267,648 awarded by the Illinois Department of Commerce and Economic Opportunity to HHDC for the Project. HHDC shall loan the proceeds of the DCEO Grant to the Partnership, which loan shall be evidenced by a note and secured by a mortgage junior to this Agreement.

"Donation Tax Credit Agreement" shall mean that certain Tax Credit Disposition Agreement dated of even date herewith by and among the City, HHDC, the Partnership and US Bank, National Association.

"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.

"Energy Star Certification" shall mean a requirement of the Planned Development.

"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 Section 4.01 hereof.

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

"Facility" shall have the meaning set forth on Exhibit E, attached hereto.

"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.

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

"General Partner" shall mean North and Pulaski Corporation, an Illinois corporation.

"Green Roof" shall mean a requirement of the Planned Development.

"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.

"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 U.S. Bancorp Community Development Corporation, a Minnesota corporation.

"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.

"Planned Development" shall mean the Planned Development No. 1205, passed by City Council on October 31, 2012 relating to the Property and Vacant Building described in Exhibit C-1 and Exhibit C-2, respectively, attached hereto.

"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 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 HED.

"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, SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

"Report" shall mean the Report of Visual Survey of the Exterior Façade of the Building at 1535 North Pulaski, Chicago, IL 60651 dated December 4, 2012 prepared by GFGR, Inc., 216 South Jefferson Street, Suite 200, Chicago, Illinois 60661.

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

"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/ Remediation Objectives Report/ Remedial Action Plan submitted to the IEPA in connection with a request for a Draft NFR Letter, dated November 2012, 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 June 9, 2022, the date that the Redevelopment Area expires.

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

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

"Title Company" shall mean Title Services, Inc., as 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.

"Vacant Building" shall mean the building commonly known as The Pioneer Bowling and Billiards Building located at 1535-1541 North Pulaski Road that is solely owned by HHDC. The Report as defined in this Section 2, requires that HHDC make certain repairs to the Vacant Building.

"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 no later than December 31, 2014, or such later date as to which HED may consent.

3.02 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to HHDC:

(a) Purchase Price. The City hereby agrees to sell, and HHDC hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement and the Donation Tax Credit Agreement, the Property, for One Dollar (\$1.00) (the "Purchase Price"), which is to be paid to the City on or before the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. HHDC shall pay all escrow fees and other title insurance fees, premiums and closing costs. HHDC and Developer acknowledge and agree that (i) the appraised fair market value of the Property is approximately \$780,000 based on an appraisal prepared in June 4, 2013, which is the maximum total amount of the land write-down of the Property (with such donation value of the Property to be adjusted by the amount of the environmental remediation costs for purposes of compliance with the Illinois Affordable Housing Tax Credit Act and regulations), (ii) the Purchase Price reflects a "Discounted Sale" as defined in 47 Ill. Admin. Code Section 355.306 to

the Illinois Affordable Housing Tax Credit Act, and (iii) the City has only agreed to sell the Property to HHDC for the Purchase Price because HHDC and the Developer have agreed to execute this Agreement and comply with its terms and conditions.

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

- (i) the Redevelopment Plan;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) such other title defects as may exist; and
- (vi) any and all exceptions caused by the acts of HHDC, the Developer and their Affiliates and agents.

(c) Title and Survey. HHDC has obtained a commitment for an owner's policy of title insurance for the Property, Commitment No. 212222, with an effective date of November 1, 2012, issued by the Title Company (the "Title Commitment"), showing the City in title to the Property. HHDC shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation and later-date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the Property or liens for such unpaid property taxes, the City shall, as applicable, request that the County void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or file a tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the Property remains subject to any tax liens, or if the Property is encumbered with any other exceptions that would adversely affect the use and insurability of the Property for the development of the Project, the Developer shall have the option to do one of the following: (i) accept title to the Property subject to the exceptions; or (ii) terminate this Agreement. If the Developer elects not to terminate this Agreement as aforesaid, the Developer agrees to accept title subject to all exceptions. The Developer has obtained and shall deliver to the City three (3) copies of the Survey at the Developer's sole cost and expense.

(d) The Land Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless HHDC and the Developer have satisfied all conditions precedent set forth in this Agreement, unless HED, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

(e) Recording Costs. HHDC shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to HHDC.

(f) "AS IS" SALE. HHDC AND THE DEVELOPER ACKNOWLEDGE THAT THEY HAVE HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPT THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. HHDC AND THE DEVELOPER AGREE TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. HHDC AND THE DEVELOPER ACKNOWLEDGE THAT THEY ARE RELYING SOLELY UPON THEIR OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. HHDC (FOR SO LONG AS IT OWNS THE PROPERTY) AND THE DEVELOPER AGREE THAT IT IS THEIR SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

(g) Release and Indemnification. HHDC and the Developer (upon its acquisition of the Property), on behalf of themselves and their officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, "Developer Parties"), hereby release, relinquish and forever discharge the City, its officers, agents and employees, from and against any and all Losses which HHDC, the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing, based upon, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances from or to other Property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, HHDC and the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the City and its officers, agents and employees harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims; provided, however, HHDC shall be obligated and liable hereunder only to the extent that such obligation or liability accrues during HHDC's period of ownership.

(h) Release Runs with the Land. The covenant of release in Section 3.02(g) above shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through HHDC or the Developer following the date of the Deed. HHDC and the Developer acknowledge and agree that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to HHDC. It is expressly agreed and understood by and between HHDC, the Developer and the City that, should any future obligation of HHDC, the Developer or any of the Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither HHDC nor the Developer nor any of the Developer Parties, will assert that those obligations must be satisfied in whole or in part by the City because Section 3.02(g) contains a full, complete and final release of all such claims.

(i) Survival. This Section 3.02 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

3.03 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to HED for the Project and HED has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to HED as a Change Order pursuant to Section 3.05 hereof. The Scope Drawings and 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.

3.04 Project Budget. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in the approximate amount of \$19,464,490. 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 HED certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.05 hereof.

3.05 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay of completion of the Project in excess of 120 days, (c) changes the basic use of the Project, or (d) permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to HED for HED'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 described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of HED'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.

The Developer must provide HED with copies of all HED-approved Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project concurrently with the progress reports described in Section 3.08 hereof.

3.06 HED Approval. Any approval granted by HED 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 HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.07 Other Approvals. Any HED, 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 HED's approval of the Scope Drawings and 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 HED 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 HED's written approval pursuant to Section 3.05). The Developer shall provide three (3) copies of an updated Survey to HED 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 (other than the Developer's architect) approved by HED 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 HED, prior to requests for disbursement for costs related to the Project. At the Developer's option, 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, or an inspecting agent of HED.

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. HED 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 \$19,464,490, 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 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 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 HED evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. (i) 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 reimburse the LLC for the costs of the TIF-Funded Improvements in three payments on a pay-as-you-go basis in the amounts as follows: i) the first payment of up to \$1,000,000 will occur at 25% completion, as evidenced by an Architect's Certificate; ii) the second payment of up to \$1,000,000 will be paid at 50% completion, as evidenced by an Architect's Certificate; and (iii) the final payment of \$2,000,000 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 City hereby approves HHDC, the LLC and the Partnership's assignment of this Agreement in connection with Lender Financing described in Exhibit E attached hereto.

4.04 Requisition Form. Every three months after the Closing Date, the LLC shall provide HED with a Requisition Form, along with the documentation described therein, until the Certificate of Completion is issued by HED. Upon HED's request, the Developer shall meet with HED to discuss any Requisition Form(s).

4.05 Prior Expenditures. Exhibit H hereto sets forth the prior expenditures approved by HED 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 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.

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 HED, and HED has approved, a Project Budget in accordance with the provisions of Section 3.04 hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer has submitted to HED, and HED has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.03 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 HED.

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 Section 4.01 hereof 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 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 (3.2 with parking), 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, HHDC, 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, Pending suits and judgments Cook County	

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 HED.

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 HED in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.06 hereof.

5.11 Financial Statements. The Partnership and the LLC have provided, if either such entity has completed a fiscal year prior to the execution of this Agreement, Financial Statements

to HED for its most recent fiscal year, and audited or unaudited interim financial statements, if applicable.

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

5.13 Environmental. The Developer has provided HED with copies of the Phase I Report, the SRP Documents and any other reports, data or correspondence relating to the environmental condition of the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed the foregoing environmental documents authorizing the City to rely on such audits. The Developer has provided the City with a copy of a Draft NFR Letter, which has been approved by 2FM.

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, or some other limited partner approved by the HED 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 HED, 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 Corporation, an Illinois corporation, as the General Contractor. The Developer shall submit copies of the Construction Contract to HED in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED 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 HED and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for HED'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 HED 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. A311 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 N 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 HED within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the of the Project in accordance with the terms of this Agreement and upon the Developer's written request, HED 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. HED may require a single inspection by an inspecting 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; and

(b) The Developer has received a Certificate of Occupancy (or other evidence acceptable to HED 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.

(f) 80% of the 72 units are leased; and

(g) Developer has submitted and recorded its "No Further Remediation Letter" from the Illinois Environmental Protection Agency; and

(h) Developer has provided proof to HED and Corporation Counsel that it has completed the exterior repairs to the Building, as described on Exhibit C-2, in accordance with the requirements set forth in the Report, as defined in Section 2, herein. Notwithstanding the foregoing, the City hereby acknowledges that this requirement has been satisfied as of June 25, 2013, as (i) the Developer has provided, and the City has accepted a certificate of completion issued by GFGR, Inc., confirming that the requirements of the Report have been met, and (ii) the Illinois First District Municipal Court entered an order dated June 25, 2013, that authorized the removal of the canopy previously installed for the Building per agreement of the City's Corporation Counsel and HHDC.

7.02 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.

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, HED 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 Developer and HHDC, where specifically noted, each represents, warrants and covenants, 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, 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 supplement, 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 (following the sale and conveyance of the Property to it by HHDC) shall acquire 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 Developer since the date of the Developer's most recent Financial Statements;

(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 HED, which consent shall be in HED'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; or (4) 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 HED shall not be required for (x) a transfer by the Limited Partner of its limited partner interest after the Closing Date to an affiliated entity, but notice to HED is required.

(k) 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;

(l) neither the Developer, HHDC 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

(m) 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 HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.03 and 3.04 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, the Scope Drawings, 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 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 Bonds. The Developer 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) any bonds in connection with the Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such 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. If any such bonds are issued, the City may use the proceeds thereof to reimburse the Developer for any amounts remaining due under this Agreement.

8.06 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 HED which shall outline, to HED'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 HED, from time to time, statements of its employment profile upon HED'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 HED 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 HED'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. The Developer shall obtain and provide to HED Financial Statements for the Developer's for the first 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 HED 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 HED, within thirty (30) days of HED's request, official receipts from the appropriate entity, or other proof satisfactory to HED, 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 HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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 HED 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 HED of the Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option,

(iii) the Developer shall demonstrate to HED'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

(iv) the Developer shall furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED 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 HED thereof in writing, at which time HED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to HED 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, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property; provided, however, the Developer is permitted to apply for a Class 9 or similar designation from Cook County even if such designation with respect to the Property would result in a reduced assessed value.

(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.

(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 when the Redevelopment Area is no longer in effect. 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.

8.20 Affordable Housing Covenant. In connection with the Affordable Housing Loan described on the attached Exhibit E, in Section A.3., a certain Regulatory Agreement between the City and the Developer, 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.

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 HED 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 2012, then the first Annual Compliance Report will be due no later than February 1, 2013.

8.23 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 HED will evaluate whether such document may be withheld under the FOIA. HED, 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 HED 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 HED, 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 HED, 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 H 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 HED.

(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 hereby represent and warrant to the City that HHDC has obtained a Phase I Report and other environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and 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 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 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) The environmental investigation of the Property has disclosed that the Property is contaminated. HHDC has enrolled the Property in the SRP and submitted the SRP Documents to the IEPA. The IEPA has reviewed the SRP Documents and requested several follow-up actions and corrections by letter dated January 29, 2013. The Developer agrees to take all such follow-up actions and other necessary and proper steps to obtain a Draft NFR Letter for the Property. The Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and 2FM approves, a Draft 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 the SRP Documents, the RACR for the Property and the Developer's estimate of the cost to perform the 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.

(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 amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. 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 Housing and Economic 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 Developer.

(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 may acquire or sell an interest in the Project and/or the Developer, but only to one of its affiliates, or (ii) a change in the general partner of the Developer;

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 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, 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; 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 an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction of City Funds disbursed or reimbursement of City Funds disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Limited Partner in accordance with Section 17 and the Lender or the Limited Partner shall have the right (but not the obligation) to cure such Event of Default as follows:

(a) if the Event of Default is a monetary default, the Lender or the Limited Partner may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lender or the Limited Partner, as applicable, of such notice from the City; and

(b) if any Event of Default is of a non-monetary nature, the Lender or the Limited Partner shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender or the Limited Partner, as applicable, of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.04(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or other Event of Default by the Developer that is not reasonably capable of being cured within such 30 day period (each such default 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 may 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.

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 HED.

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 Housing and Economic 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: North and Pulaski Elderly Limited Partnership
c/o North and Pulaski Corp.
325 N. Wells Street, 8th Floor
Chicago, Illinois 60647
Attention: Mark Kruse

Hispanic Housing North and Pulaski LLC
c/o Hispanic Housing Development Corporation
325 N. Wells Street, 8th Floor
Chicago, Illinois 60647
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:

Lender: U.S. Bank National Association
209 South LaSalle Street, Suite 502
Chicago, IL 60604
Attn: Tania Kadakia

Dykema Gossett PLLC
10 South Wacker Drive, Suite 2300
Chicago, Illinois 60606
Attn: Derek L. Cottier
And to:

Limited Partner: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, 3rd Floor
St. Louis, Missouri 63103
Attention: Kacey Cordes

Dentons US LLP
233 S. Wacker Drive, Suite 7800
Chicago, Illinois 60606
Attention: Jana Cohen Barbe

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 HED 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 15.01 shall be defined as any deviation from the terms of the Agreement which operates to materially reduce the scope of the Project, to reduce the job-retention obligations in Section 8.05 by more than five percent (5%), to materially change the Project or business operations of the Developer at the Property, or increases the City Funds payable to the Developer.

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 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, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED 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 HED 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 to a lender that is also providing financing for the Project the Developer's right to receive the payment of City Funds as security for such lender financing. 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.

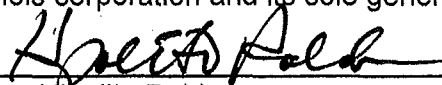
[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]



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

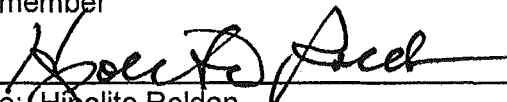
NORTH & PULASKI ELDERLY LIMITED PARTNERSHIP,
an Illinois limited partnership

By: **NORTH & PULASKI CORPORATION,**
an Illinois corporation and its sole general partner

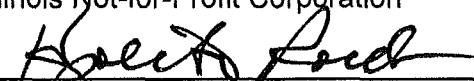
By: 
Name: Hipolito Roldan
Its: President

HISPANIC HOUSING NORTH AND PULASKI 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 Housing and Economic 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.

NORTH & PULASKI ELDERLY LIMITED PARTNERSHIP,
an Illinois limited partnership

By: **NORTH & PULASKI CORPORATION,**
an Illinois corporation and its sole general partner

By: _____
Name: Hipolito Roldan
Its: President

HISPANIC HOUSING NORTH AND PULASKI LLC, an
Illinois limited liability Company

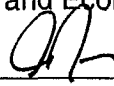
By: **HISPANIC HOUSING DEVELOPMENT
CORPORATION,** an Illinois not-for-profit corporation, its
sole member

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 Housing and Economic Development

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

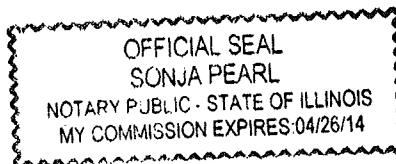
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Sonja Pearl, 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 North and Pulaski 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 North and Pulaski Elderly Limited Partnership, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 2nd day of Aug, 2013.

Sonja Pearl
Notary Public

My Commission Expires 4-26-14
(SEAL)



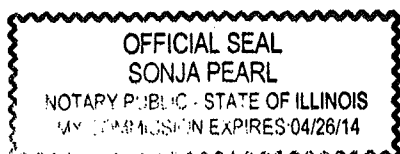
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Sonja Pearl, 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 North and Pulaski 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 2nd day of Aug, 2013.

Sonja Pearl
Notary Public

My commission expires 4-26-14
(SEAL)



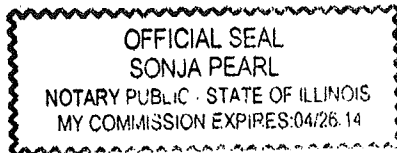
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Sonja Pearl, 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 2nd day of July, 2013.

Sonja Pearl
Notary Public

My commission expires 4.26.14 (SEAL)



[Handwritten signature]

LIST OF EXHIBITS

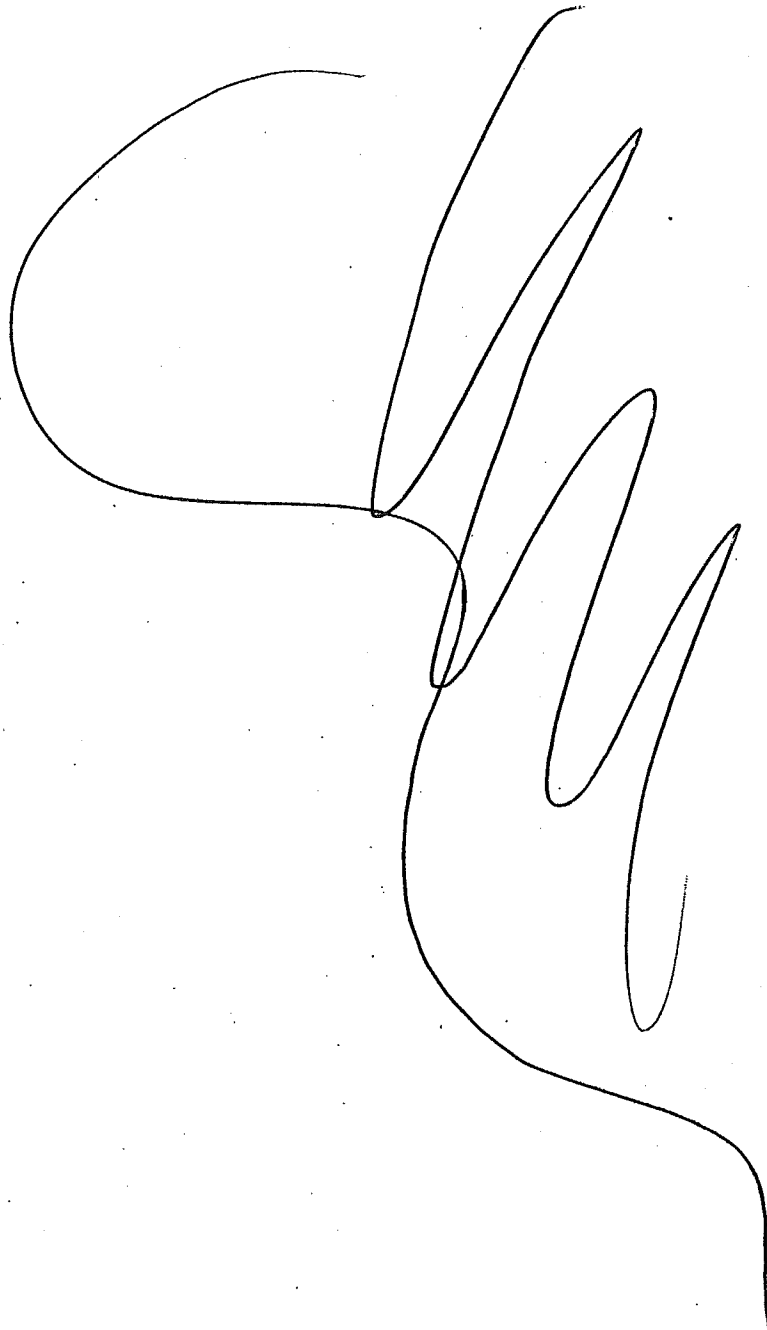
Exhibit A	Legal Description of Area*
Exhibit B	Description of Project*
Exhibit C-1	Legal Description of Property*
Exhibit C-2	Legal Description of Vacant Building*
Exhibit D	Redevelopment Plan
Exhibit E	Financing for the Project*
Exhibit F-1	Project Budget*
Exhibit F-2	MBE/WBE Project Budget*
Exhibit 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

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

EXHIBIT A

Legal Description of the Area

(See Attached)



Pulaski Corridor Tax Increment Financing District.

All that part of Sections 26, 27, 34 and 35 in Township 40 North, Range 13 East of the Third Principal Meridian together with that part of Sections 2 and 3 in Township 39 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 Lowell Avenue with the south line of Barry Avenue and running; thence north along said west line of Lowell Avenue to the north line of Belmont Avenue; thence east along said north line of Belmont Avenue to the northerly extension of the east line of Tripp Avenue; thence south along said east line of Tripp Avenue to its intersection with the northeasterly line of Kearsarge Avenue; thence southeasterly along said northeasterly line of Kearsarge Avenue to the north line of George Street; thence east along said north line of George Street to the east line of Pulaski Road; thence south along said east line of Pulaski Road to the north line of Diversey Avenue; thence east along said north line of Diversey Avenue to the northerly extension of the east line of Avers Avenue; thence south along said east line of Avers Avenue to the south line of Schubert Avenue; thence west along said south line of Schubert Avenue to the west line of Harding Avenue; thence north along said west line of Harding Avenue to the north line of Lot 1 in F. S. Kunkel & Co.'s Resubdivision of Lots

28 to 44 of Block 2 in Pennock, a subdivision in the west half of the southwest quarter of Section 26, Township 40 North, Range 13 East of the Third Principal Meridian, said north line of Lot 1 in F. S. Kunkel & Co.'s Resubdivision being also the south line of the alley south of Diversey Avenue; thence west along said north line of Lot 1 in F. S. Kunkel & Co.'s Resubdivision to the west line thereof, said west line of Lot 1 in F. S. Kunkel & Co.'s Resubdivision being also the east line of the alley east of Pulaski Road; thence south along said east line of the alley east of Pulaski Road to the north line of Lot 22 in Block 19 in Pennock, a subdivision in the west half of the southwest quarter of Section 26, Township 40 North, Range 13 East of the Third Principal Meridian, said north line of Lot 22 being also the south line of the alley north of Wrightwood Avenue; thence west along said south line of the alley north of Wrightwood Avenue to the east line of the west 12 feet of Lot 23 in said Block 19 in Pennock; thence south along said east line of the west 12 feet of Lot 23 in said Block 19 in Pennock, and along the southerly extension thereof to the south line of Wrightwood Avenue; thence west along said south line of Wrightwood Avenue to the east line of the west 10 feet of Lot 6 in Block 20 in Pennock, aforesaid; thence south along said east line of the west 10 feet of Lot 6 in Block 20 in Pennock to the south line of said Lot 6, said south line of Lot 6 being also the north line of the alley south of Wrightwood Avenue; thence east along said north line of the alley south of Wrightwood Avenue to the northerly extension of the west line of Lots 28 through 44, inclusive, in said Block 20 in Pennock, said west line of Lots 28 through 44, inclusive, in Block 20 in Pennock being also the east line of the alley east of Pulaski Road; thence south along said east line of the alley east of Pulaski Road to the south line of Lot 17 in Block 39 in Pennock, said south line of Lot 17 in Block 39 in Pennock being also the north line of the alley north of Fullerton Avenue; thence east along said north line of the alley north of Fullerton Avenue to the west line of Springfield Avenue; thence south along said west line of Springfield Avenue to the north line of Lot 1 in Haverkamp & Pop's Resubdivision of Lots 28 to 44 in Block 1 in C. Billings' Subdivision in the west half of the northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian, said north line of Lot 1 in Haverkamp & Pop's Resubdivision being also the south line of the alley south of Fullerton Avenue; thence west along said north line and along said south line of the alley south of Fullerton Avenue to the west line of Lot 1 in Haverkamp & Pop's Resubdivision of Lots 28 to 44 in Block 2 in C. Billings' Subdivision in the west half of the northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 1 in Haverkamp & Pop's Resubdivision being also the east line of the alley east of Pulaski Road; thence south along said east line of the alley east of Pulaski Road to the north line of Belden Avenue.; thence east along said north line of Belden Avenue to the northerly extension of the west line of Lot 12 in Block 3 in C. Billings' Subdivision in the west half of the

northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian; thence south along said northerly extension and the west line of Lot 12 in Block 3 in C. Billings' Subdivision to the south line of said Lot 12, said south line of Lot 12 being also the north line of the alley south of Belden Avenue; thence east along said north line of the alley south of Belden Avenue to the west line of Lot 5 in Ellison's Subdivision in the west half of the northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian, said west line of Lot 5 in Ellison's Subdivision being also the east line of the alley west of Springfield Avenue; thence south along said east line of the alley west of Springfield Avenue to the south line of Lot 5 in Neeros & Knudson's Subdivision in the west half of the northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian; thence east along said south line of Lot 5 in Neeros & Knudson's Subdivision to the centerline of Springfield Avenue; thence south along said centerline of Springfield Avenue to the south line of Palmer Street; thence west along said south line of Palmer Street to the east line of Lot 1 in Block 3 in J. Costello's Subdivision of the northwest quarter of the southwest quarter of the northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian; thence south along said east line of Lot 1 in Block 3 in J. Costello's Subdivision to the south line of said Lot 1, said south line of Lot 1 being also the north line of the alley south of Palmer Street; thence east along said north line of the alley south of Palmer Street to the west line of Lots 8 through 18, inclusive, in said Block 3 in J. Costello's Subdivision, said west line of Lots 8 through 18, inclusive, in said Block 3 in J. Costello's Subdivision being also the east line of the alley west of Springfield Avenue; thence south along said east line of the alley west of Springfield Avenue to the north line of Lot 9 in Erb's Subdivision in the west half of northwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian; thence west along said north line of Lot 9 in Erb's Subdivision to the westerly line of said Lot 9; thence southeasterly along said westerly line of said Lot 9 and along the westerly line of Lots 10 through 13, inclusive, to the north line of Dickens Avenue; thence west along said north line of Dickens Avenue to the east line of Avers Avenue; thence south along said east line of Avers Avenue to the south line of Armitage Avenue; thence west along said south line of Armitage Avenue to the northeasterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way; thence southeasterly along said northeasterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way to the north line of Cortland Street; thence east along said north line of Cortland Street to the east line of Lawndale Avenue; thence south along said east line of Lawndale Avenue to the north line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way; thence east along said north line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way to the centerline of Kedzie Avenue; thence south along said centerline

of Kedzie Avenue to the south line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way; thence west along said south line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way to the east line of Lawndale Avenue; thence south along said east line of Lawndale Avenue to the easterly extension of the south line of Lot 8 in Block 3 in the subdivision of the southeast quarter of the southwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the south line of Lot 8 in Block 3 in the subdivision of the southeast quarter of the southwest quarter and along the westerly extension thereof to the east line of Lot 39 in said subdivision of the southeast quarter of the southwest quarter, said east line of Lot 39 being also the west line of the alley east of Ridgeway Avenue; thence north along said west line of the alley east of Ridgeway Avenue to the north line of aforesaid Lot 39; thence west along said north line of Lot 39 to the east line of Ridgeway Avenue; thence north along said east line of Ridgeway Avenue to the easterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way; thence southwesterly and southeasterly along said easterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way to the south line of North Avenue; thence west along said south line of North Avenue to the east line of Ridgeway Avenue; thence south along said east line of Ridgeway Avenue to the easterly extension of the south line of Lot 16 in Block 5 in Beebe's Subdivision of the east half of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the south line of Lot 16 in Block 5 in Beebe's Subdivision and along the westerly extension thereof to the east line of Lot 41 in said Block 5 in Beebe's Subdivision, said east line of Lot 41 being also the west line of the alley east of Hamlin Avenue; thence north along said west line of the alley east of Hamlin Avenue to the north line of Lot 45 in said Block 3 in Beebe's Subdivision, said north line of Lot 45 being also the south line of the alley south of North Avenue; thence west along said south line of the alley south of North Avenue to the northwesterly line of Lot 47 in Block 1 in Hosmer & Mackey's Subdivision in the west half of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian; thence southwest along said northwesterly line of Lot 47 in Block 1 in Hosmer & Mackey's Subdivision to the west line of said Lot 47, said west line of Lot 47 being also the east line of the alley east of Pulaski Road; thence south along said east line of the alley east of Pulaski Road to the southwesterly line of Lot 38 in Block 2 in said Hosmer & Mackey's Subdivision, said southwesterly line of Lot 38 being also the northwesterly line of the alley northwest of Grand Avenue; thence southeasterly along said northwesterly line of the alley northwest of Grand Avenue and along the southeasterly extension thereof to the east line of Harding Avenue; thence south along said east line of Harding Avenue to the south line of Lot 4 in

Block 3 in said Hosmer & Mackey's Subdivision; thence east along said south line of Lot 4 in Block 3 in Hosmer & Mackey's Subdivision and along the easterly extension thereof to the southwesterly line of Lot 17 in said Block 3 in Hosmer & Mackey's Subdivision; thence southeasterly along said southwesterly line of Lot 17 in said Block 3 in Hosmer & Mackey's Subdivision and along the southeasterly extension thereof to the east line of Springfield Avenue; thence south along said east line of Springfield Avenue to the south line of Lot 11 in Block 8 in said Hosmer & Mackey's Subdivision; thence east along said south line of Lot 11 in Block 8 in said Hosmer & Mackey's Subdivision and along the easterly extension thereof to the west line of Lot 24 in said Block 8 in Hosmer & Mackey's Subdivision; thence south along said west line of Lot 24 in said Block 8 in Hosmer & Mackey's Subdivision to the southwesterly line thereof; thence southeasterly along said southwesterly line of Lot 24 in said Block 8 in Hosmer & Mackey's Subdivision and along the southeasterly extension thereof to the east line of Avers Avenue; thence south along said east line of Avers Avenue to the south line of Lot 19 in Block 9 in said Hosmer & Mackey's Subdivision; thence east along said south line of Lot 19 in Block 9 in Hosmer & Mackey's Subdivision and along the easterly extension thereof to the southwesterly line of Lot 32 in said Block 9 in Hosmer & Mackey's Subdivision; thence southeasterly along said southwesterly line of Lot 32 in said Block 9 in Hosmer & Mackey's Subdivision and along the southeasterly extension thereof to the east line of Hamlin Avenue; thence south along said east line of Hamlin Avenue to the easterly extension of the north line of Lot 12 in Block 6 in Thomas J. Diven's Subdivision in the west half of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the north line of Lot 12 in Block 6 in Thomas J. Diven's Subdivision and along the westerly extension thereof to the east line of Lot 43 in said Block 6 in Thomas J. Diven's Subdivision; thence north along said east line of Lot 43 in said Block 6 in Thomas J. Diven's Subdivision to the northeasterly line thereof; thence northwesterly along said northeasterly line of Lot 43 and along the northeasterly line of Lot 44 in said Block 6 in Thomas J. Diven's Subdivision and along the northwesterly extension thereof to the west line of Avers Avenue; thence north along said west line of Avers Avenue to the north line of Lot 12 in Block 5 in said Thomas J. Diven's Subdivision; thence west along said north line of Lot 12 in Block 5 in Thomas J. Diven's Subdivision and along the westerly extension thereof to the east line of Lot 57 in said Block 5 in Thomas J. Diven's Subdivision; thence north along said east line of Lot 57 in said Block 5 in Thomas J. Diven's Subdivision to the northeasterly line thereof; thence northwesterly along said northeasterly line of Lot 57 in said Block 5 in Thomas J. Diven's Subdivision and along the northeasterly line of Lot 58 in said Block 5 and along the northwesterly extension thereof to the west line of Springfield Avenue; thence north along said west line of Springfield Avenue

to the north line of Lot 4 in the resubdivision of Lots 12 to 16 in Block 1 in Thomas J. Diven's Subdivision; thence west along said north line of Lot 4 in the resubdivision of Lots 12 to 16 in Block 1 in Thomas J. Diven's Subdivision and along the westerly extension thereof to the east line of Lot 21 in Block 1 in Thomas J. Diven's Subdivision; thence north along said east line of Lot 21 in Block 1 in Thomas J. Diven's Subdivision to the northeasterly line of Lot 22; thence northwesterly along said northeasterly line of Lot 22 in Block 1 in Thomas J. Diven's Subdivision and along the northeasterly line of Lot 23 in said Block 1 and along the northwesterly extension thereof to the west line of Harding Avenue; thence north along said west line of Harding Avenue to the north line of Lot 1 in the resubdivision of Lots 12 to 15 in Block 2 in Thomas J. Diven's Subdivision; thence west along said north line of Lot 1 in the resubdivision of Lots 12 to 15 in Block 2 in Thomas J. Diven's Subdivision and along the westerly extension thereof to the east line of Lot 35 in Block 2 in Thomas J. Diven's Subdivision; thence north along said east line of Lot 35 in Block 2 in Thomas J. Diven's Subdivision to the northeasterly line of Lot 36; thence northwesterly along said northeasterly line of Lot 36 in Block 2 in Thomas J. Diven's Subdivision and along the northeasterly line of Lot 37 in said Block 2 to the east line of Pulaski Road; thence south along said east line of Pulaski Road to the easterly extension of the south line of Kamerling Avenue; thence west along said easterly extension and the south line of Kamerling Avenue to the southerly extension of the east line of Lot 46 in Block 1 in Demarest & Kamerling's Grand Avenue Subdivision in the east half of the northeast quarter of Section 3, Township 39 North, Range 13 East of the Third Principal Meridian, said east line of Lot 46 in Block 1 in Demarest & Kamerling's Grand Avenue Subdivision being also the west line of the alley west of Pulaski Road; thence north along said southerly extension and the west line of the alley west of Pulaski Road to the south line of Hirsch Street; thence west along said south line of Hirsch Street to the west line of Karlov Avenue; thence north along said west line of Karlov Avenue to the north line of Lot 365 in Davenport's Subdivision a subdivision in the northeast quarter of Section 3, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 365 being also the south line of the alley south of Grand Avenue; thence west along said south line of the alley south of Grand Avenue to the east line of Lots 351 and 352 in Davenport's Subdivision, said east line of said Lots 351 and 352 being also the west line of the alley west of Karlov Avenue; thence north along said west line of the alley west of Karlov Avenue to the northeasterly line of Lot 351 in Davenport's Subdivision, said northeasterly line of Lot 351 being also the southwestwesterly line of the alley south of Grand Avenue; thence northwesterly along said southwestwesterly line of the alley south of Grand Avenue and along the northwesterly extension thereof to the west line of Kedvale Avenue; thence north along said west line of Kedvale Avenue to the north line of Lot 349 in

Davenport's Subdivision, said north line of Lot 349 being also the south line of the alley south of Grand Avenue; thence west along said south line of the alley south of Grand Avenue to its intersection with the east line of Lot 319 in Davenport's Subdivision, said east line of Lot 319 being also the west line of the alley east of Keeler Avenue; thence north along said west line of the alley east of Keeler Avenue to the northeasterly line of Lot 319 in Davenport's Subdivision, said northeasterly line of Lot 319 being also the southwesterly line of the alley south of Grand Avenue; thence northwesterly along the southwesterly line of the alley south of Grand Avenue and along the northwesterly extension thereof to the west line of Keeler Avenue; thence north along said west line of Keeler Avenue to the north line of Lot 317 in Davenport's Subdivision, said north line of Lot 317 being also the south line of the alley south of Grand Avenue; thence west along said south line of the alley south of Grand Avenue to its intersection with the east line of Lot 272 in Davenport's Subdivision, said east line of Lot 272 being also the west line of the alley east of Tripp Avenue; thence north along said west line of the alley east of Tripp Avenue to the northeasterly line of Lot 271 in Davenport's Subdivision, said northeasterly line of Lot 271 being also the southwesterly line of the alley south of Grand Avenue; thence northwesterly along said southwesterly line of the alley south of Grand Avenue to the west line of Tripp Avenue; thence north along said west line of Tripp Avenue to the north line of Lot 269 in Davenport's Subdivision, said north line of Lot 269 being also the south line of the alley south of Grand Avenue; thence west along said south line of the alley south of Grand Avenue to its intersection with the northeasterly line of Lot 213 in Davenport's Subdivision, said northeasterly line of Lot 213 being also the southwesterly line of the alley south of Grand Avenue; thence northwesterly along said southwesterly line of the alley south of Grand Avenue to the west line of Kildare Avenue; thence north along said west line of Kildare Avenue to the north line of Lot 20 in William H. Hintze's Subdivision, a subdivision in the west half of the northeast quarter of Section 3, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 20 being also the south line of the alley south of Grand Avenue; thence west along said south line of the alley south of Grand Avenue to its intersection with the east line of Lot 50 in William H. Hintze's Subdivision, said east line of Lot 50 being also the west line of the alley west of Kildare Avenue; thence north along said west line of the alley west of Kildare Avenue to the northeasterly line of Lot 51 in William H. Hintze's Subdivision, said northeasterly line of Lot 51 being also the southwesterly line of the alley south of Grand Avenue; thence northwesterly along said southwesterly line of the alley south of Grand Avenue to the east line of Kolin Avenue; thence north along said east line of Kolin Avenue to the westerly extension of the north line of North Avenue; thence east along said westerly extension of the north line of North Avenue to the southerly extension of the east line of Lowell Avenue; thence north along said southerly extension and

the east line of Lowell Avenue to the south line of Lot 17 in Block 31 of Garfield's Subdivision, a subdivision of the southeast quarter of Section 34, Township 40 North, Range 13, East of the Third Principal Meridian, said south line of Lot 17 being also the north line of the alley north of North Avenue; thence east along said north line of the alley north of North Avenue to the east line of Pulaski Road; thence south along said east line of Pulaski Road to the centerline of the vacated alley north of North Avenue; thence east along said centerline of the vacated alley north of North Avenue to the east line of said vacated alley north of North Avenue; thence north along said east line of the vacated alley north of North Avenue to the north line of the alley north of North Avenue; thence east along said north line of the alley north of North Avenue to the east line of Harding Avenue; thence south along said east line of Harding Avenue to the south line of Lot 19 in Strobridge's Resubdivision of Lots 1, 4, 5 and 8 in Block 3 and Lots 2 and 3 in Block 4 of Hagen & Brown's Addition to the City of Chicago, a subdivision in the southwest quarter of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian; thence east along said south line of Lot 19 to its intersection with the west line of Springfield Avenue; thence north along said west line of Springfield Avenue to its intersection with the south line of Lot 16 in Leo Fox's Subdivision of Lots 7 and 10 of Block 4 of Hagen & Brown's Addition to the City of Chicago, said south line of Lot 16 being also the north line of the alley north of North Avenue; thence east along said north line of the alley north of North Avenue to the west line of Hamlin Avenue; thence north along said west line of Hamlin Avenue to the south line of Wabansia Avenue; thence west along said south line of Wabansia Avenue to the west line of Avers Avenue; thence north along said west line of Avers Avenue to the south line of Lot 7 in Hagen & Brown's Addition to the City of Chicago; thence west along said south line of Lot 7 to its intersection with the west line of Springfield Avenue; thence north along said west line of Springfield Avenue to the north line of Lot 1 of Geo. E. Dorr's Resubdivision of Lots 5, 6 and 8 of Block 2 of Hagen & Brown's Addition to the City of Chicago; thence west along said north line of Lot 1 to its intersection with the east line of Lot 11 in the resubdivision of Lots 1 and 4 of Block 2 of Hagen & Brown's Addition to the City of Chicago, said east line of Lot 11 being the west line of the alley west of Springfield Avenue; thence north along said west line of the alley west of Springfield Avenue to the north line of Lot 12 in the resubdivision of Lots 1 and 4 of Block 2 of Hagen & Brown's Addition to the City of Chicago, said north line of Lot 12 being the south line of the alley south of Bloomingdale Avenue; thence west along said south line of the alley south of Bloomingdale Avenue to its intersection with the west line of Harding Avenue; thence north along said west line of Harding Avenue to the south line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way; thence west along said Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way to the centerline of Pulaski Road; thence

north along said centerline of Pulaski Road to the north line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way; thence east along said north line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company right-of-way to the west line of Springfield Avenue; thence north along said west line of Springfield Avenue to the south line of Cortland Street; thence west along said south line of Cortland Street to its intersection with the east line of Lot 1 in Block 3 of Robert F. Summer's Subdivision in the west half of the southwest quarter of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian, said east line of Lot 1 being the west line of the alley west of Springfield Avenue; thence north along said west line of the alley west of Springfield Avenue to its intersection with the south line of Lot 11 in Block 2 of Robert F. Summer's Subdivision as extended west to the west line of said alley; thence east along said south line of Lot 11 in Block 2 of Robert F. Summer's Subdivision to the west line of Springfield Avenue; thence north along said west line of Springfield Avenue to the north line of said Lot 11 in Block 2 of Robert F. Summer's Subdivision, said north line of Lot 11 being also the south line of the alley south of Armitage Avenue; thence west along said south line of the alley south of Armitage Avenue to the west line of Harding Avenue; thence north along said west line of Harding Avenue to the south line of Armitage Avenue; thence west along said south line of Armitage Avenue to the west line of Pulaski Road; thence north along said west line of Pulaski Road to the westerly extension of the south line of Lot 5 in the subdivision of Lots 55 to 59, both inclusive, in Price & Moss' Subdivision in the west half of the northwest quarter of Section 35, Township 40 North, Range 13, East of the Third Principal Meridian; thence east along said westerly extension and the south line of Lot 5 in the subdivision of Lots 55 to 59, both inclusive, in Price & Moss' Subdivision to the east line thereof; thence north along said east line of Lot 5 in the subdivision of Lots 55 to 59, both inclusive, in Price & Moss' Subdivision to the north line thereof; thence west along said north line of Lot 5 in the subdivision of Lots 55 to 59, both inclusive, in Price & Moss' Subdivision and along the westerly extension thereof to the west line of Pulaski Road; thence north along said west line of Pulaski Road to the south line of Palmer Street; thence west along said south line of Palmer Street to its intersection with the east line as extended south of Lot 25 in Block 51 of Keeney's Addition to Pennock, a subdivision in the northeast quarter of Section 34, Township 40 North, Range 13, East of the Third Principal Meridian, said east line of Lot 25 being also the west line of the alley west of Pulaski Road; thence north along said west line of the alley west of Pulaski Road to the south line of Belden Avenue; thence west along said south line of Belden Avenue to the west line of Keystone Avenue; thence north along said west line of Keystone Avenue to the north line of Lot 397 in Sam Brown, Jr.'s Pennock Subdivision, a subdivision in the northeast quarter of Section 34, Township 40 North, Range 13, East of the Third Principal Meridian, said north line of Lot 397 being the south line of the alley

south of Fullerton Avenue; thence west along said south line of the alley south of Fullerton Avenue to its intersection with the west line of Lot 2 in Block 41 in Pennock's Subdivision; thence north along said west line of Lot 2 to the south line of Fullerton Avenue; thence west along said south line of Fullerton Avenue to the east line of Lot 6 in Block 41 in Pennock's Subdivision; thence south along said east line of Lot 6 to its intersection with the north line of Lot 1 in the resubdivision of Lots 386 to 393 in Sam Brown, Jr.'s Pennock Subdivision, said north line of Lot 1 being the south line of the alley south of Fullerton Avenue; thence west along said south line of the alley south of Fullerton Avenue to its intersection with the east line of Lot 354 in Sam Brown, Jr.'s Pennock Subdivision; thence north along said east line of Lot 354 to the south line of Fullerton Avenue; thence west along said south line of Fullerton Avenue to the east line of Lot 350 in Sam Brown, Jr.'s Pennock Subdivision; thence south along said east line of Lot 350 to its intersection with the north line of Lot 1 in Ed G. Uehlein's Resubdivision of Lots 333 to 349 in Sam Brown, Jr.'s Pennock Subdivision, said north line of Lot 1 being the south line of the alley south of Fullerton Avenue; thence west along said south line of the alley south of Fullerton Avenue to the west line of Kedvale Avenue; thence north along said west line of Kedvale Avenue to the south line of Fullerton Avenue; thence west along said south line of Fullerton Avenue to the east line of Lot 306 in Sam Brown, Jr.'s Pennock Subdivision; thence south along said east line of Lot 306 to its intersection with the north line of Lot 305 in Sam Brown, Jr.'s Pennock Subdivision, said north line being also the south line of the alley south of Fullerton Avenue; thence west along said south line of the alley south of Fullerton Avenue to the east line of Kostner Avenue; thence north along said east line of Kostner Avenue to the south line of Lot 12 in the Owner's Subdivision of Lots 1 to 9, 13 to 16 and 28 to 42 of Block 5 in Keeney & Pemberthy's Addition in the west half of the southeast quarter of Section 27, Township 40 North, Range 13, East of the Third Principal Meridian, said south line of Lot 12 in the Owner's Subdivision being also the north line of the alley north of Fullerton Avenue; thence east along said north line of the alley north of Fullerton Avenue to the west line of Keeler Avenue; thence north along said east line of Keeler Avenue to the south line of Lot 40 in Block 1 in Keeney & Pemberthy's Addition to Pennock, a subdivision of the southwest quarter of the southeast quarter of Section 27, Township 40 North, Range 13, East of the Third Principal Meridian; thence west along said south line of Lot 40 in Block 1 in Keeney & Pemberthy's Addition and along the westerly extension thereof to the east line of Lot 15 in said Block 1 in Keeney & Pemberthy's Addition to Pennock, said east line of Lot 15 being also the west line of the alley west of Keeler Avenue; thence north along said west line of the alley west of Keeler Avenue to the north line of Lot 11 in said Block 1 in Keeney & Pemberthy's Addition to Pennock, said north line of Lot 11 being also the south line of the alley south of Wrightwood Avenue; thence west along said south line of the alley south of Wrightwood

Avenue to the west line of Tripp Avenue; thence north along said west line of Tripp Avenue to the south line of Wrightwood Avenue; thence west along said south line of Wrightwood Avenue to the southerly extension of the east line of Lot 12 in William P. Herbert's Resubdivision of Lots 33 to 48 in Alex J. Robert's Subdivision in the west half of the southeast quarter of Section 27, Township 40 North, Range 13, East of the Third Principal Meridian; thence north along said southerly extension and the east line of Lot 12 in William P. Herbert's Resubdivision of Lots 33 to 48 in Alex J. Robert's Subdivision to the north line of said Lot 12, said north line of Lot 12 being also the south line of the alley north of Wrightwood Avenue; thence west along said south line of the alley north of Wrightwood Avenue to the west line of Kildare Avenue; thence north along said west line of Kildare Avenue to the south line of Diversey Avenue; thence west along said south line of Diversey Avenue to the southerly extension of the west line of Lowell Avenue; thence north along said southerly extension and the west line of Lowell Avenue to the westerly extension of the south line of Lot 15 in Block 3 in J. E. White's Subdivision in the south half of the south half of the northeast quarter of Section 27, Township 40 North, Range 13, East of the Third Principal Meridian, said south line of Lot 15 in Block 3 in J. E. White's Subdivision being also the north line of the alley north of Diversey Avenue; thence east along said north line of the alley north of Diversey Avenue to the west line of Tripp Avenue; thence north along said west line of Tripp Avenue to the south line of George Street; thence west along said south line of George Street to the southerly extension of the west line of Kenosha Avenue; thence north along said southerly extension of the west line of Kenosha Avenue and the northerly extension thereof to the north line of Wellington Avenue; thence east along said north line of Wellington Avenue to the east line of Lot 60 in W. O. Olsen's Resubdivision of Block 7, part of Block 6 and vacated streets and alleys in Cushing's Subdivision in the west half of the northeast quarter of Section 27, Township 40 North, Range 13, East of the Third Principal Meridian, said east line of Lot 60 in W. O. Olsen's Resubdivision being also the west line of an alley; thence north along said east line of Lot 60 in W. O. Olsen's Resubdivision and the northerly extension thereof to the northeasterly line of Lot 4 in Nelson Court Apartments Resubdivision of Lots 1 to 8 together with part of vacated streets and alleys adjacent to Lots 18 to 39 in W. O. Olsen's Resubdivision in the west half of the northeast quarter of Section 27, Township 40 North, Range 13, East of the Third Principal Meridian; thence northwesterly along said northeasterly line of Lot 4 in Nelson Court Apartments Resubdivision and along the northeasterly line of Lot 5 in said Nelson Court Apartments Resubdivision to the north line of said Lot 5; thence west along said north line of Lot 5 in Nelson Court Apartments Resubdivision to the northeasterly line of Lot 6 in said Nelson Court Apartments Resubdivision, said northeasterly line of Lot 6 measuring 72.53 feet; thence northwesterly along said northeasterly line of Lot 6 in Nelson

Court Apartments Resubdivision and along the easterly most easterly line of Lot 7, said easterly line measuring 39.02 feet, to a north line of said Lot 7, said north line measuring 32.87 feet; thence west along said north line of said Lot 7, measuring 32.87 feet, to an east line of said Lot 7, said east line of Lot 7 measuring 95.00 feet; thence north along said east line of said Lot 7, measuring 95.00 feet, to the south line of Barry Avenue; thence west along said south line of Barry Avenue to the point of beginning on the west line of Lowell Avenue.

Excepting from the forgoing that part of Section 3 in Township 39 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 Karlov Avenue with the westerly extension of the north line of Le Moyne Street and running; thence east along said westerly extension and the north line of Le Moyne Street to the east line of Lot 28 in Block 1 of North Avenue Subdivision, a subdivision of the northeast quarter of the northeast quarter of the northeast quarter of Section 3, Township 39 North, Range 13, East of the Third Principal Meridian, said east line of Lot 28 in North Avenue Subdivision being also the west line of the alley west of Pulaski Road; thence north along said west line of the alley west of Pulaski Road to the north line of Lot 12 in said Block 1 of North Avenue Subdivision, said north line of Lot 12 being also the south line of the alley south of North Avenue; thence west along said south line of the alley south of North Avenue to the east line of Lot 12 in Block 2 in North Avenue Subdivision, a subdivision in the northeast quarter of the northeast quarter of the northeast quarter of Section 3, Township 39 North, Range 13, East of the Third Principal Meridian, said east line of Lot 12 in Block 2 in North Avenue Subdivision being also the west line of the alley west of Keystone Avenue; thence south along said west line of the alley west of Keystone Avenue to the south line of the north 9.00 feet of Lot 14 in said Block 2 in North Avenue Subdivision; thence west along said south line of the north 9.00 feet of Lot 14 in said Block 2 in North Avenue Subdivision to the east line of Karlov Avenue; thence north along said east line of Karlov Avenue to the easterly extension of the north line of Lot 45 in Davenport's Subdivision in the northeast quarter of Section 3, Township 39 North, Range 13, East of the Third Principal Meridian, said north line of Lot 45 in Davenport's Subdivision being also the south line of the alley south of North Avenue to the east line of Tripp Avenue; thence west long said easterly extension and along the south line of the alley south of North Avenue to the east line of Tripp Avenue; thence south along said east line of Tripp Avenue to the south line of Lot 118 in Davenport's Subdivision, a subdivision of the east half of the northwest quarter of the northeast quarter and of the west half of the northeast quarter of the northeast quarter of Section 3, Township

39 North, Range 13, East of the Third Principal Meridian, said south line of Lot 118 being also the north line of the alley north of Grand Avenue; thence east along said north line of the alley north of Grand Avenue and along the easterly extension thereof to the west line of Lots 115 and 116 in Davenport's Subdivision, said west line of Lots 115 and 116 being also the east line of the alley east of Tripp Avenue; thence south along said east line of the alley east of Tripp Avenue to the southwesterly line of Lot 116 in Davenport's Subdivision, said southwesterly line of Lot 116 being also the northeasterly line of the alley north of Grand Avenue; thence southeasterly along said northeasterly line of the alley north of Grand Avenue and along the southeasterly extension thereof to the east line of Keeler Avenue; thence south along said east line of Keeler Avenue to the south line of Lot 98 in Davenport's Subdivision, said south line of Lot 98 being also the north line of the alley north of Grand Avenue; thence east along said north line of the alley north of Grand Avenue and along the easterly extension thereof to the west line of Lots 95 and 96 in Davenport's Subdivision, said west line of Lots 95 and 96 being also the east line of the alley east of Keeler Avenue; thence south along said east line of the alley east of Keeler Avenue to the southwesterly line of Lot 96 in Davenport's Subdivision, said southwesterly line of Lot 96 being also the northeasterly line of the alley north of Grand Avenue; thence southeasterly along said northeasterly line of the alley north of Grand Avenue and along the southeasterly extension thereof to the east line of Kedvale Avenue; thence south along said east line of Kedvale Avenue to the south line of Lot 65 in Davenport's Subdivision, said south line of Lot 65 being also the north line of the alley north of Grand Avenue; thence east along said north line of the alley north of Grand Avenue and along the easterly extension thereof to the west line of Lots 62 and 63 in Davenport's Subdivision, said west line of Lots 62 and 63 being also the east line of the alley east of Kedvale Avenue; thence south along said east line of the alley east of Kedvale Avenue to the southwesterly line of Lot 63 in Davenport's Subdivision, said southwesterly line of Lot 63 being also the northeasterly line of the alley north of Grand Avenue; thence southeasterly along said northeasterly line of the alley north of Grand Avenue to the west line of Karlov Avenue; thence north along said west line of Karlov Avenue to the point of beginning, all in the City of Chicago, Cook County, Illinois.

EXHIBIT B

Description of the Project

(See Exhibit E)

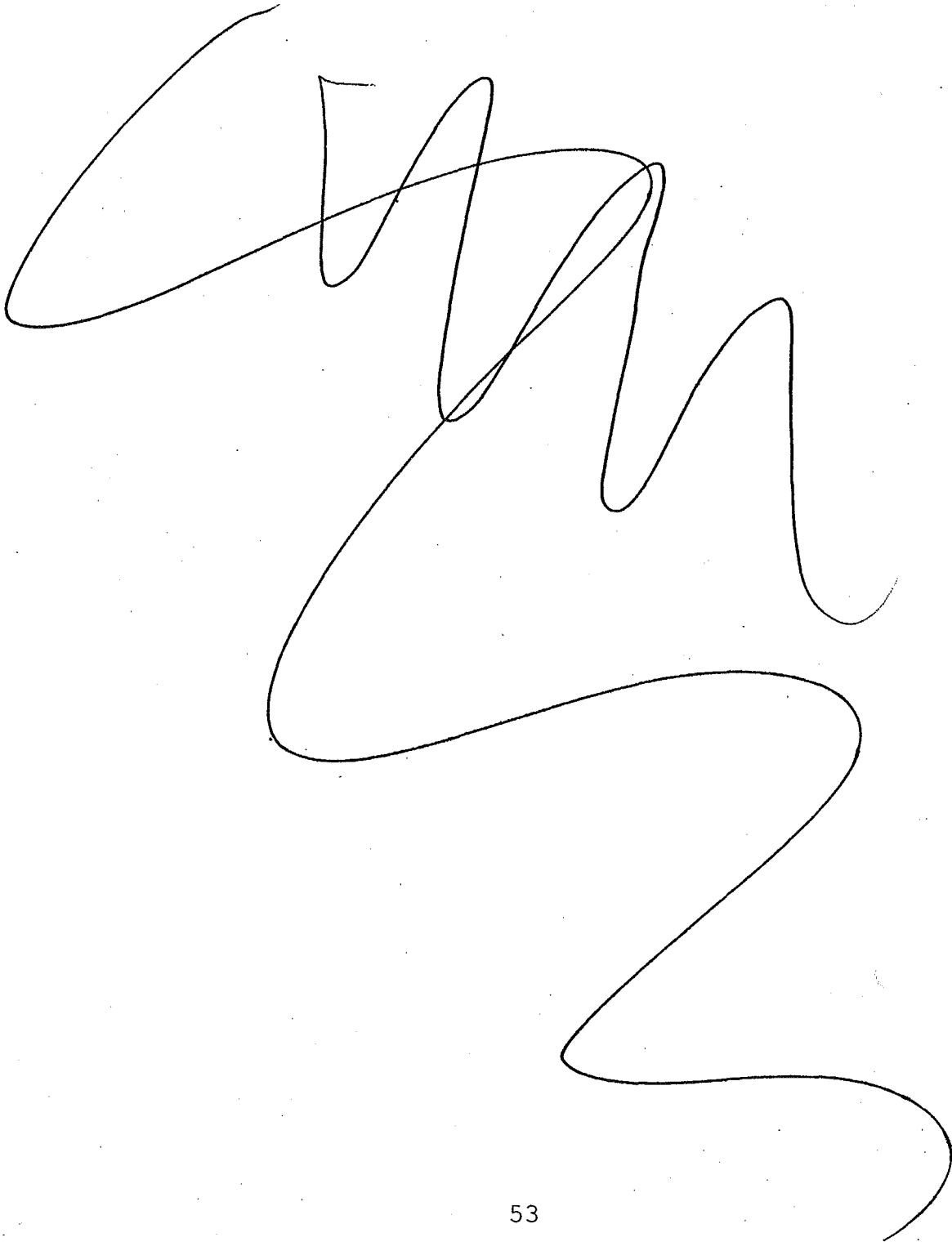


EXHIBIT C-1

Legal Description of Property

LOTS 3, 4, 5, 6, 7, 8, 9, 10 AND 11 IN BLOCK 1 IN HOSMER AND MACKEY'S SUBDIVISION OF BLOCKS 1 TO 6 AND 12 TO 16, BOTH INCLUSIVE, IN SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THOSE PARTS OF EACH OF SAID LOTS 10 AND 11 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 11; RUNNING THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 11 A DISTANCE OF 125.0 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 11 A DISTANCE OF 7.00 FEET; THENCE NORTH ALONG A STRAIGHT LINE 7.00 FEET EAST FROM AND PARALLEL WITH THE SAID WEST LINE OF LOT 11 A DISTANCE OF 19.00 FEET; THENCE NORTHEASTWARDLY ALONG A STRAIGHT LINE A DISTANCE OF 112.67 FEET TO THE INTERSECTION WITH THE NORTH LINE OF SAID LOTS 10 AND 11 AFORESAID, SAID INTERSECTION BEING 46.00 FEET EAST OF THE NORTHWEST CORNER OF LOT 11; THENCE WEST ALONG THE NORTH LINE OF SAID LOTS 10 AND 11 A DISTANCE OF 46.0 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 3939-3959 WEST NORTH AVENUE
CHICAGO, ILLINOIS

PERMANENT INDEX NO. 16-02-100-001, vol. 537
16-02-100-002, vol. 537
16-02-100-003, vol. 537
16-02-100-004, vol. 537



EXHIBIT C-2

Legal Description of the Vacant Building

LOT 12, 13, 14, 15, 16, 17, 18 AND 19 IN BLOCK 1 IN HOSMER AND MACKEY'S SUBDIVISION OF BLOCKS 1 TO 6 AND 12 TO 16, BOTH INCLUSIVE, IN FREER'S SUBDIVISION OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 2, TOWNSHIP 39 NORTH, RANGE 13, LYING EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly Known Address: 1535 N. Pulaski, Chicago, Cook County, Illinois.

PINS: 16-02-100-006, - 007, -008, -009 and - 010

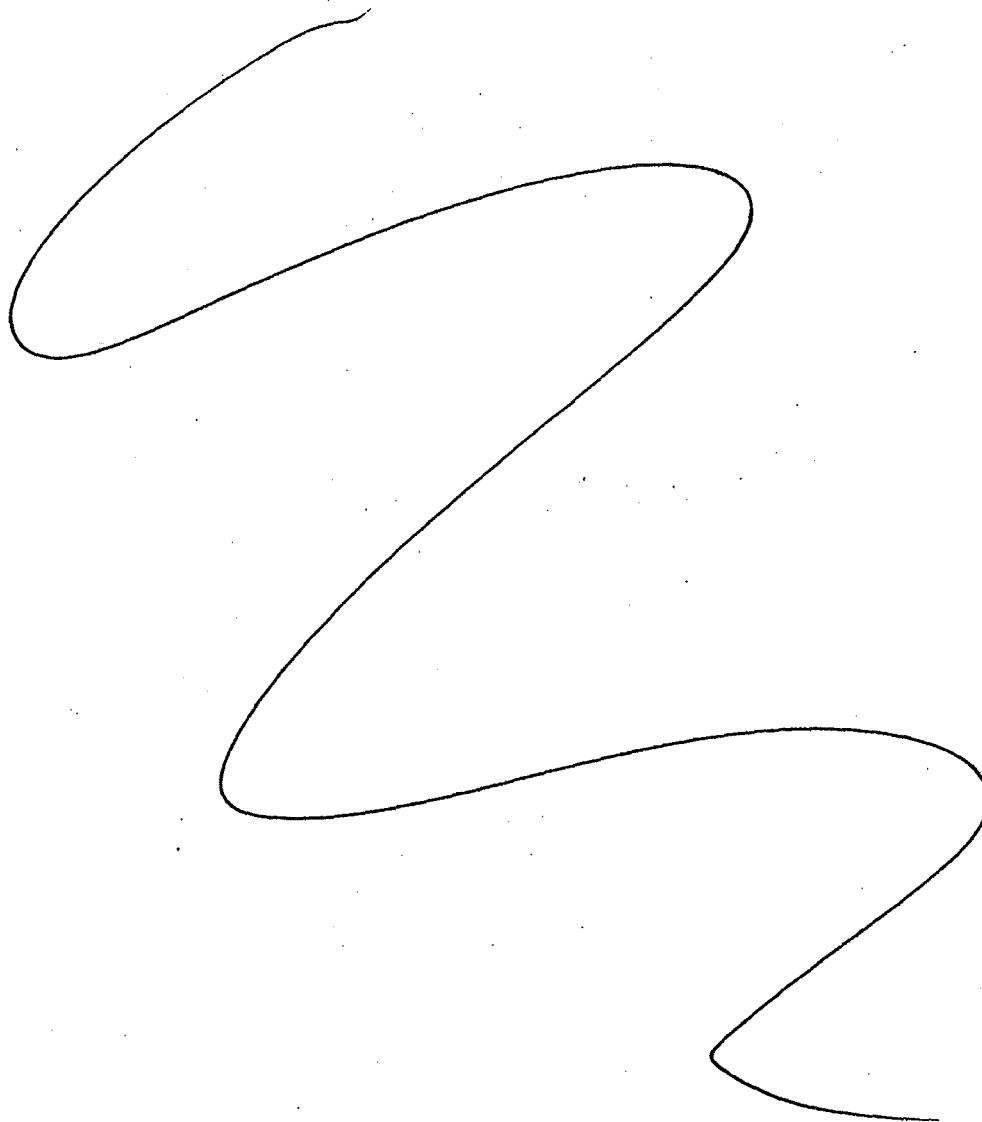


EXHIBIT D

Redevelopment Plan

[Intentionally Omitted]

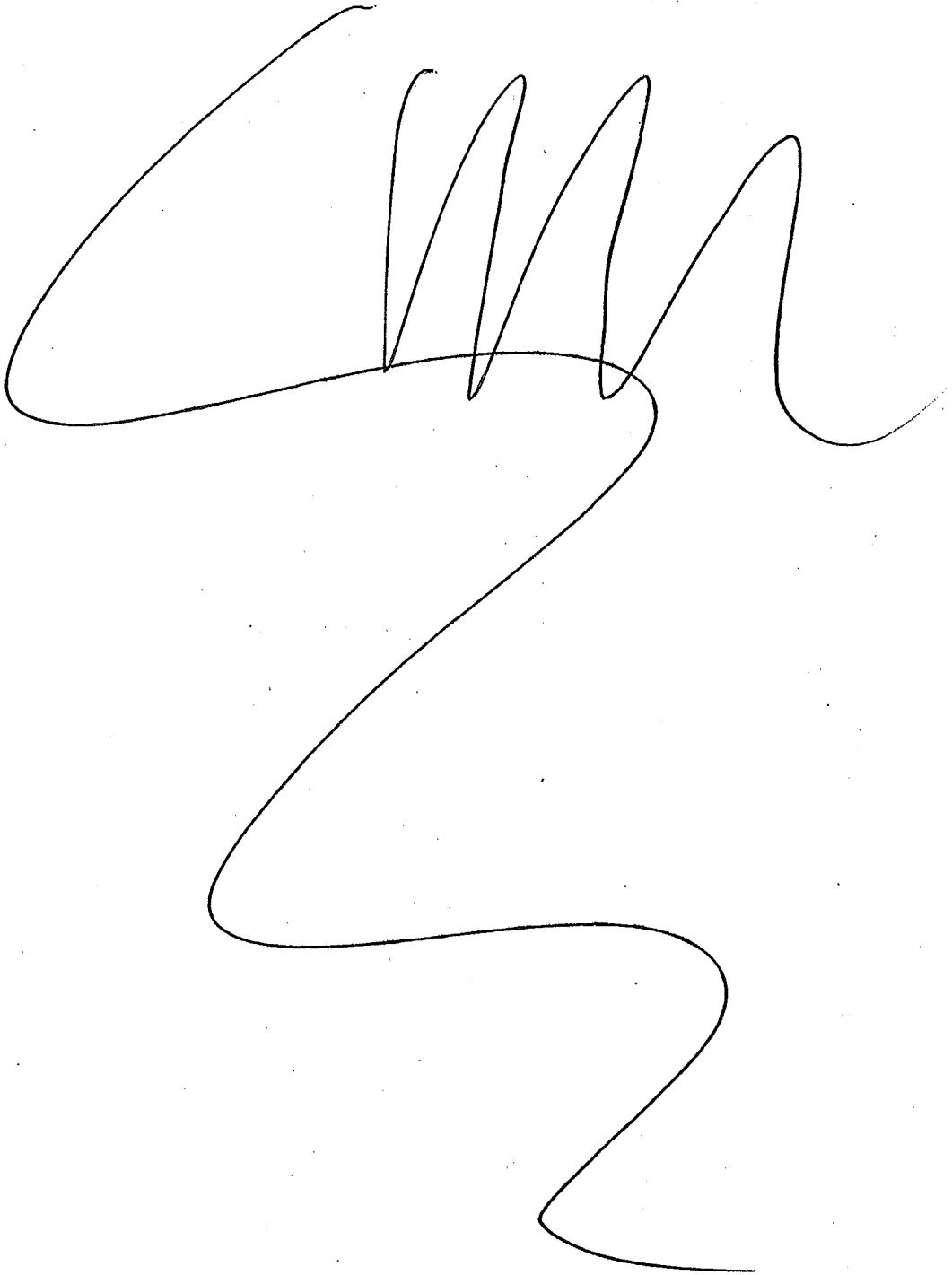


EXHIBIT E

Financing for the Project

- BORROWER:** North and Pulaski Elderly Limited Partnership, an Illinois limited partnership with North and Pulaski Corporation, an Illinois corporation (whose sole owner is Hispanic Housing North and Pulaski 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:** Acquisition of vacant land and construction of a multi-story building (the "Facility") to be located thereon at 3939-3959 West North Avenue in Chicago, Illinois (the "Property") and of approximately 71 dwelling units contained therein as 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 \$3,500,000 |
| 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 \$11,500,000 (the "Construction Loan") |
| Term: | Not to exceed 36 months, or another term acceptable to the Authorized Officer |
| Source: | U.S. Bank National Association, or another entity acceptable to the Authorized Officer |
| Interest: | A variable rate of interest not to exceed 12 percent per annum, or another interest rate 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, and a pledge of the Borrower's, the LLC's and HHDC's interests in the TIF Redevelopment Agreement, or such other security as may be acceptable to the Authorized Officer |

2. **Low-Income Housing Tax Credit ("LIHTC")**
Proceeds: Approximately \$10,100,000, 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 \$1,000,000 by the City

3. **Amount:** Approximately \$543,610
Term: Not to exceed 32 years
Source: HHDC, derived from the proceeds of a grant from the Chicago Low-Income Housing Trust Fund, or another source acceptable to the Authorized Officer
Interest: Zero percentage interest rate
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:** 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

5. **Amount:** Approximately \$360,999
Term: Not to exceed 32 years, or another term acceptable to the Authorized Officer
Source: HHDC or an affiliate thereof, derived from the Grant proceeds that result from the transfer of Donation Tax Credits in connection with the Project, 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

6. Amount: Approximately \$267,648
Term: Not to exceed 32 years, or another term acceptable to the Authorized Officer
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
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

7. Amount: Approximately \$780,000
Term: Not to exceed 32 years, or another term acceptable to the Authorized Officer
Source: HHDC or an affiliate thereof, representing seller financing, 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

8. Amount: \$100
Source: General Partner

EXHIBIT F-1
PROJECT BUDGET

Land Acquisition Costs:	780,000
Hard Costs:	
New Construction	12,562,671
GC, P & O	1,267,116
Constr. Cont.	628,627
Soft Costs:	
Permit	112,798
Material Testing	68,000
Architectural Design	863,237
Legal Fees	203,774
Survey	22,000
Infrastructure Contingency	146,030
Soil Borings	22,600
Builders Risk Insurance and Insurance Reserve	81,900
Construction and Bridge Loan Interest	321,585
Lender Arch. Supervision	25,000
Title and Recording	41,500
Lender Legal Fees	68,000
Application Fees	3,000
Bank Origination Fee	71,000
Bank Loan Conversion Fee	40,000
Market Study	18,268
Environmental Report and NFR Letter	82,600
TC Application Fee	50,250
DTC Reservation	11,700
Marketing	80,000
Consulting	60,812
Accounting/Cost Certification	12,000
Appraisal	11,260
Furniture and Fixtures	75,000
Debt and Expense Reserve	388,212
Operating Reserve	240,000
Rent up Reserve	75,000
Tax Reserve	32,850
Insurance Reserve	21,900
Replacement Reserve	
20,300	
Developer Fee	
1,000,000	
Total Uses	\$ 19,464,490

EXHIBIT F-2

MBE/WBE Project Budget

Hard Cost of Construction \$13,829,787

24% MBE Requirement = \$ 3,319,149

4% WBE Requirement= \$ 553,191

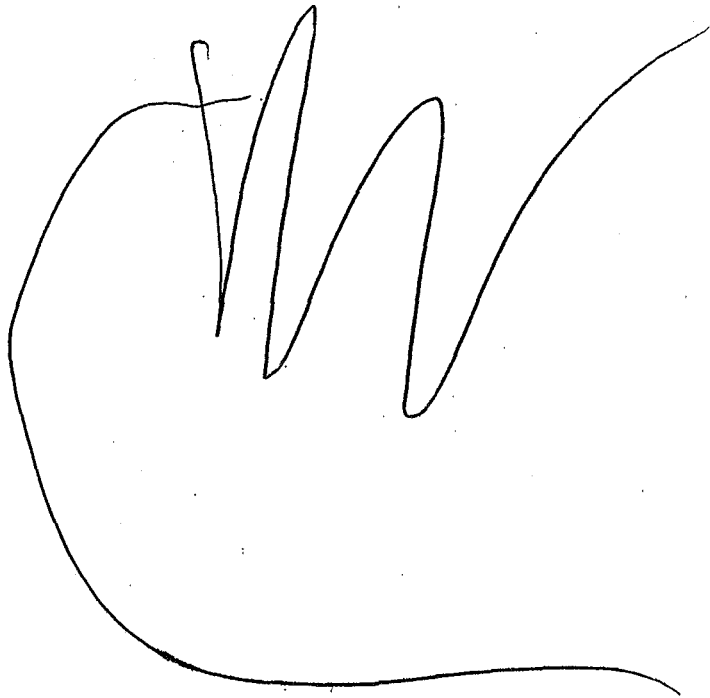


EXHIBIT G

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, other than liens against the Property and pledges and security agreements granted in connection with the financing sources set forth in Section 4.01, and that certain Amended and Restated Partnership Agreement, of even date herewith that contains certain provisions regarding a possible future conveyance of ownership of the Premises 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. 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 and recorded herewith, which consent the City may grant or deny in its sole discretion.



EXHIBIT H

Approved Prior Expenditures

NONE

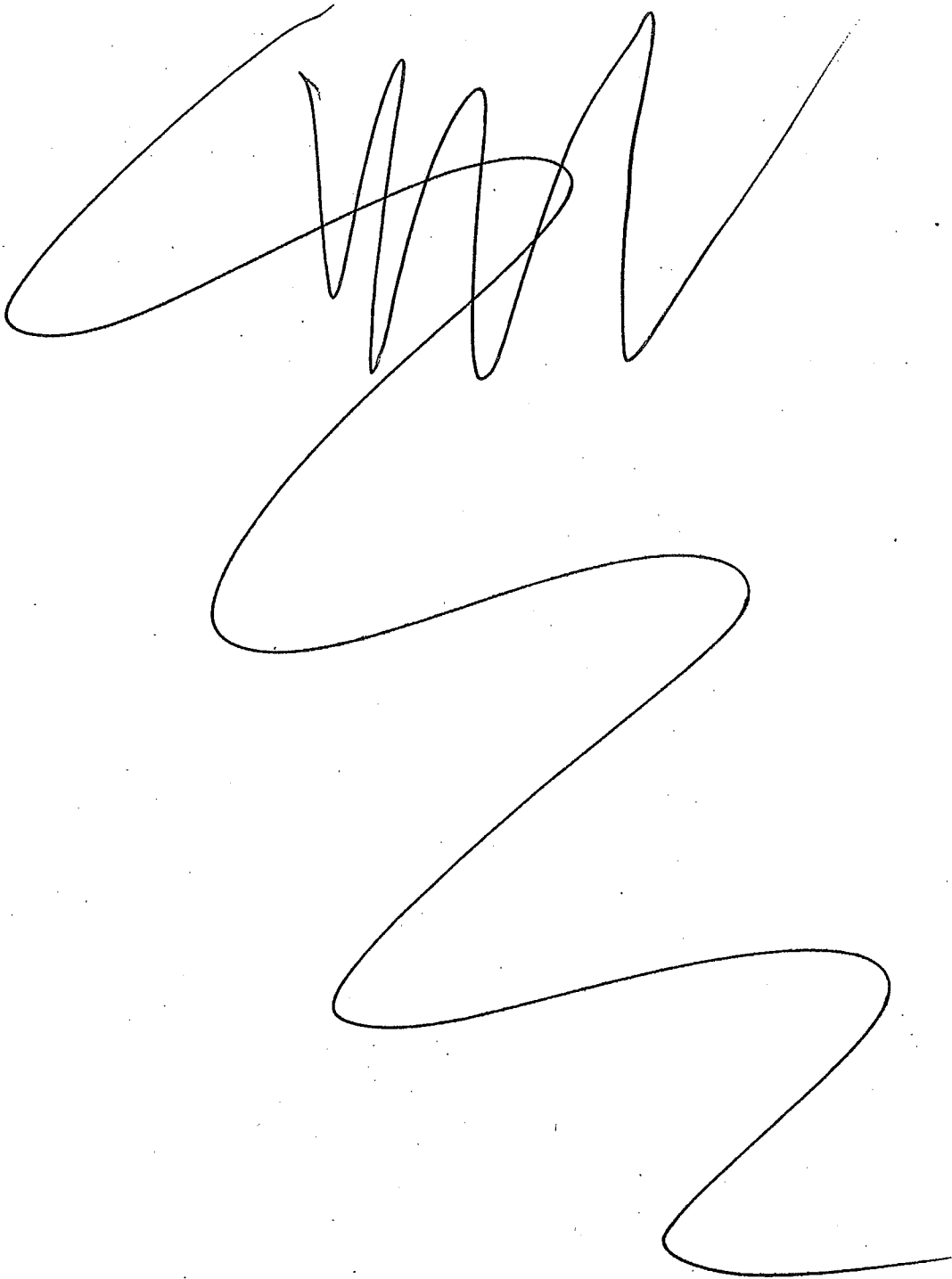
A large, stylized handwritten signature in black ink, consisting of several overlapping loops and curves, positioned centrally on the page.

EXHIBIT I

Requisition Form

[Intentionally Omitted]

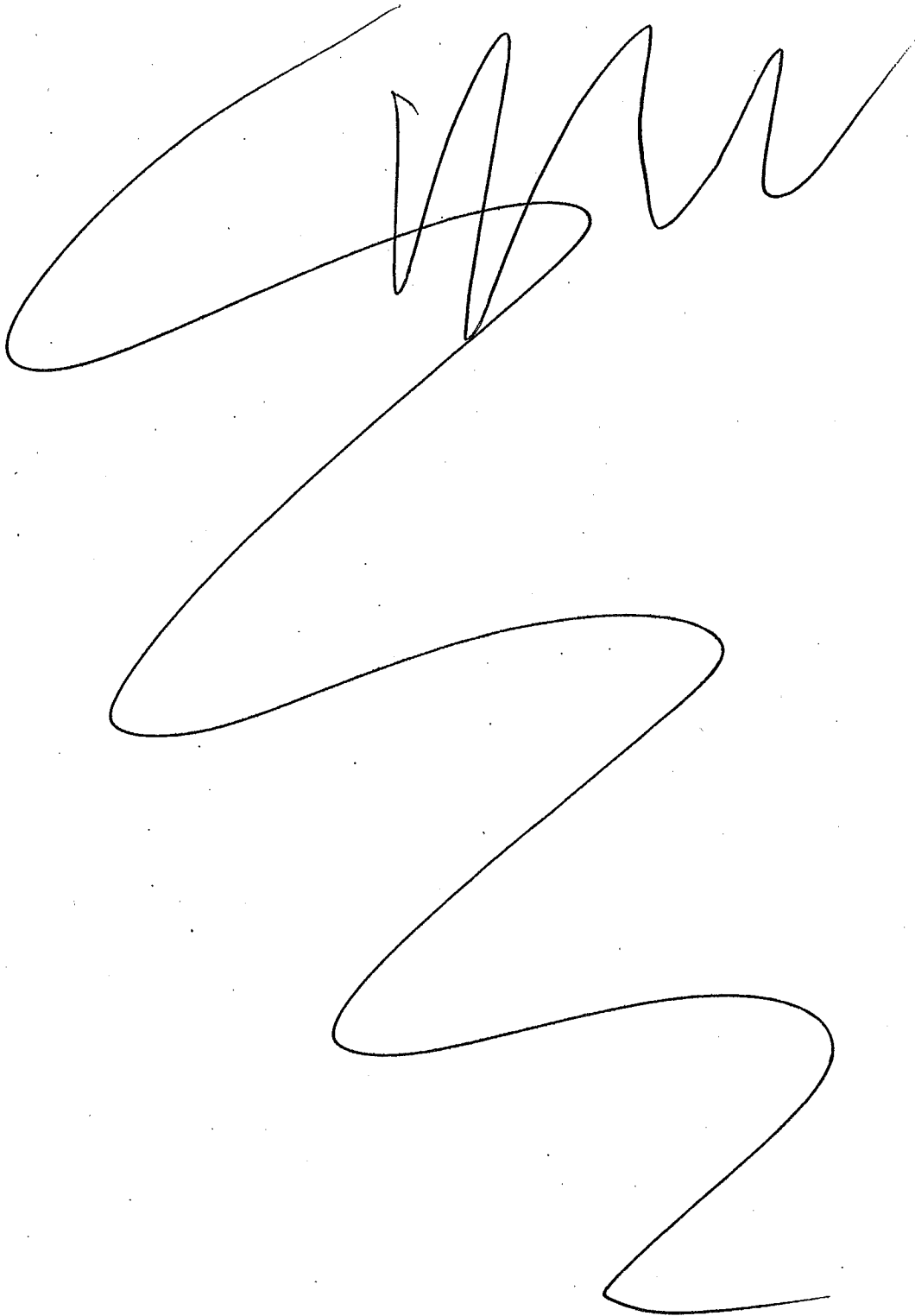
A large, handwritten signature in black ink, consisting of several loops and a long, sweeping tail that extends downwards and to the right. The signature is positioned in the upper half of the page, below the text.

EXHIBIT J

TIF-Funded Improvements

<u>Line Item</u>	<u>Cost</u>
Construction Costs of 3939-59 W. North Ave.	13,829,787*
Architectural Costs related to 3939-59 W. North Ave.	\$863,237*
Environmental Testing, Review and Remediation Costs related to 3939-59 W. North Avenue Construction	\$82,600*
TOTAL	\$14,775,624**

*Only 50% of the construction costs are eligible TIF-Funded Improvements

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

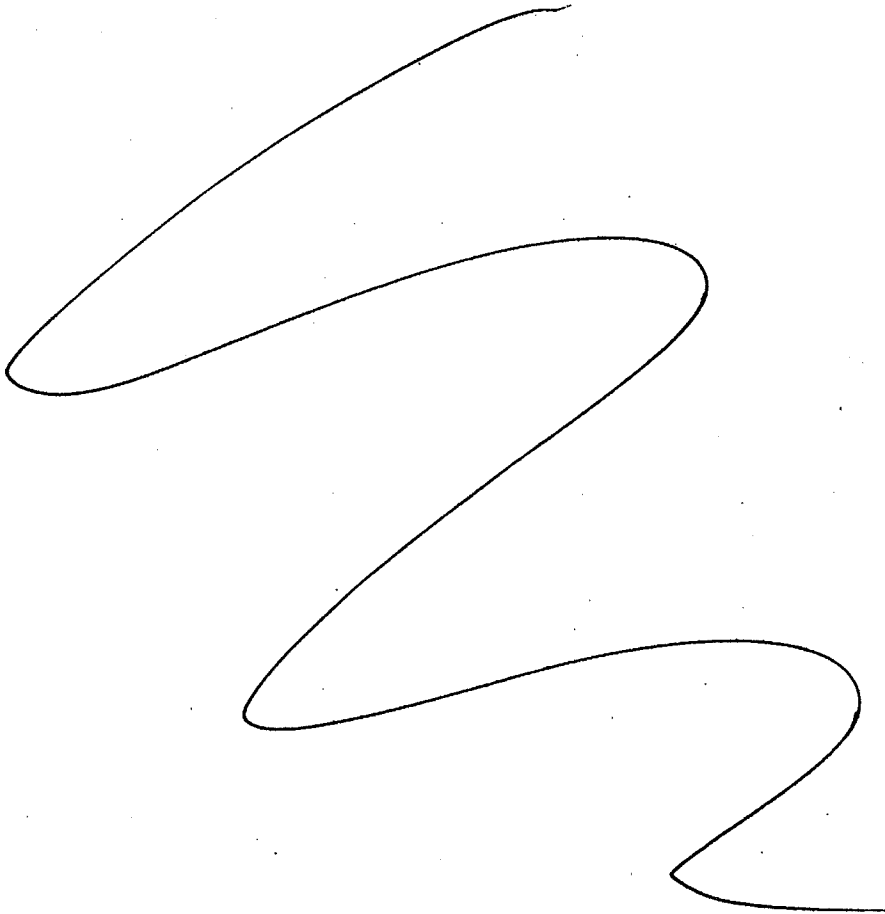


EXHIBIT K

Form of Subordination Agreement

[Intentionally Omitted]

A large, stylized signature or scribble consisting of several overlapping loops and lines, positioned below the text. The signature is written in black ink and is highly abstract, with multiple loops and a long, sweeping tail that extends towards the bottom right of the page.

EXHIBIT L

Opinion of Developer's Counsel

[Intentionally Omitted]

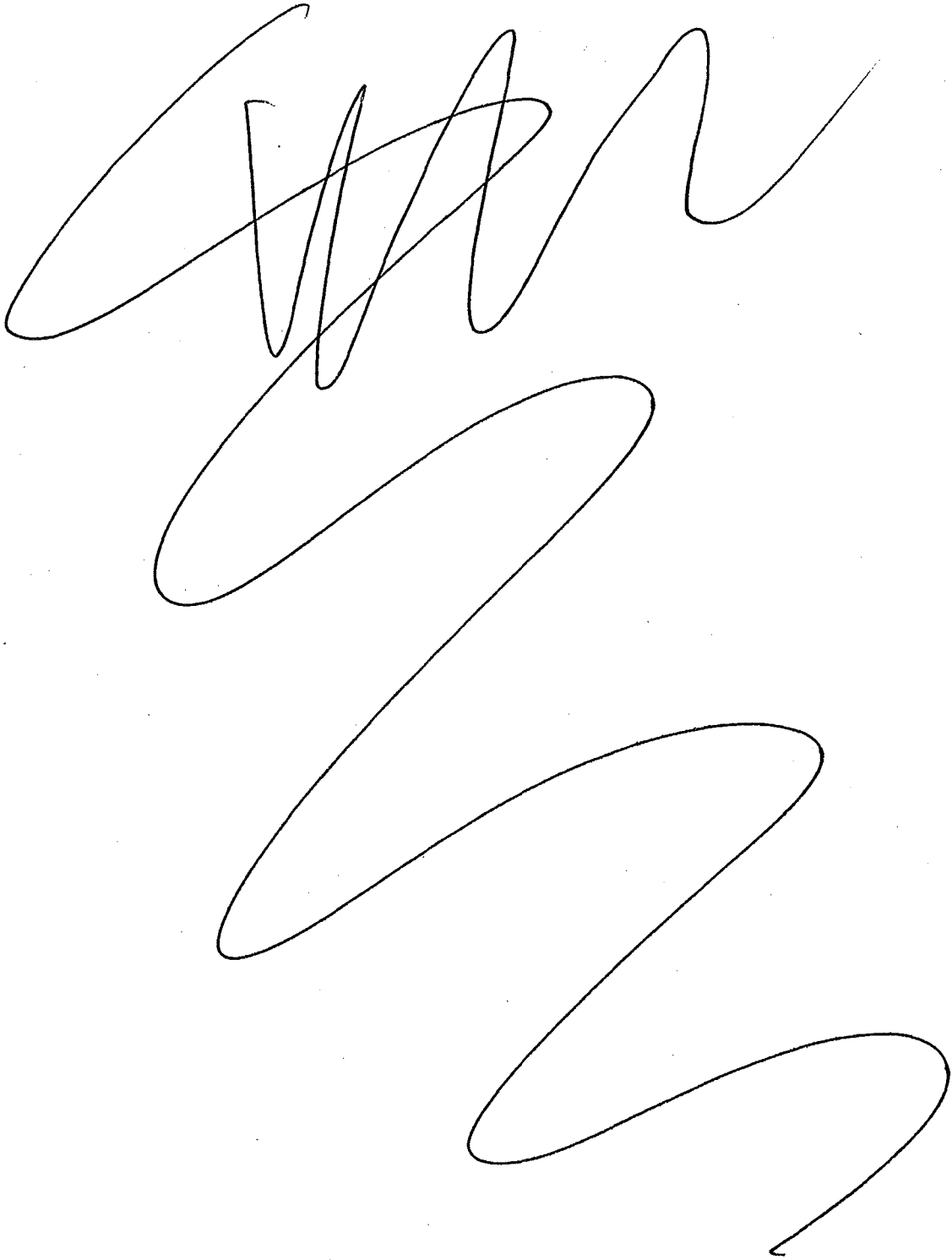
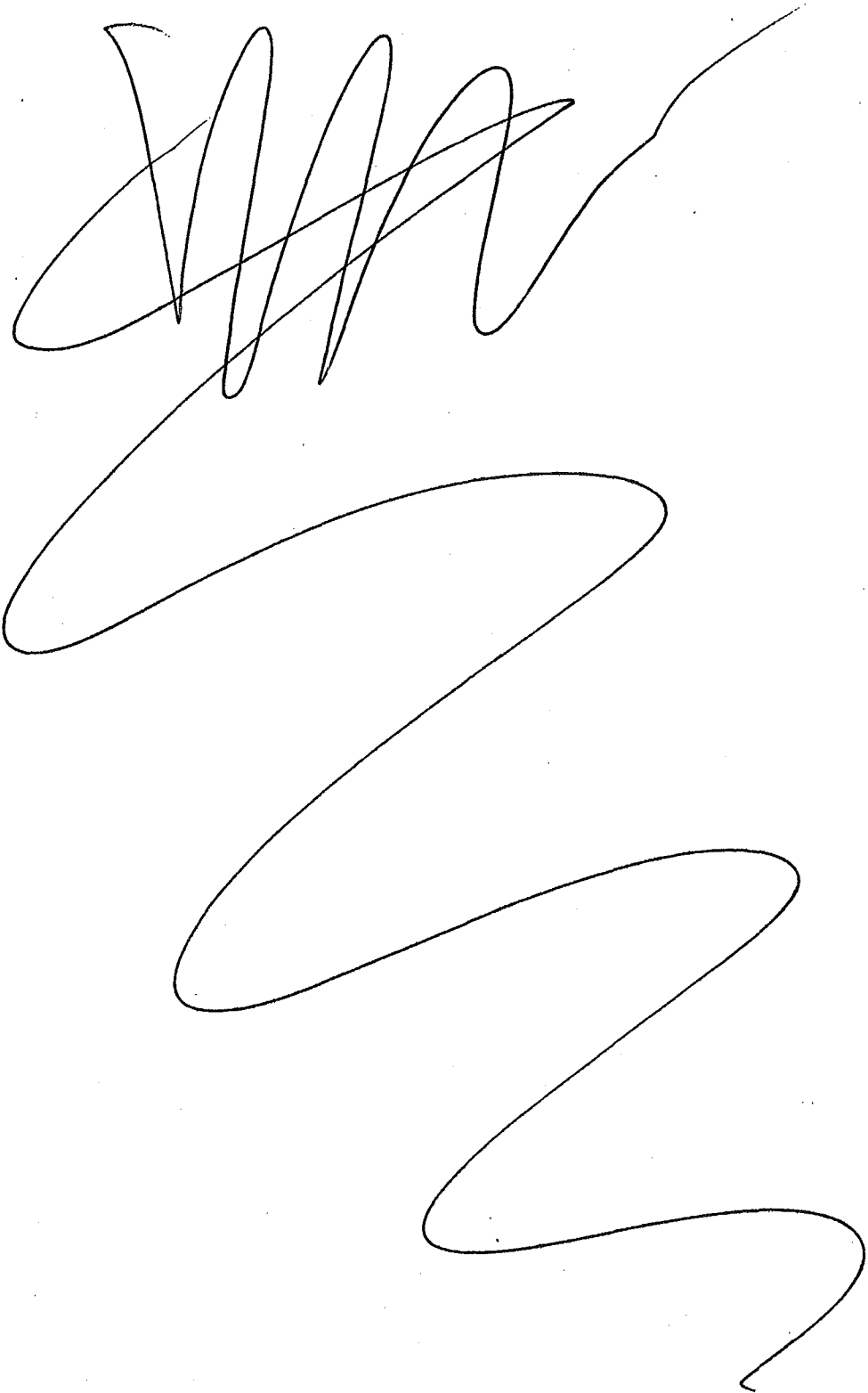
A large, handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping tail that extends towards the bottom right of the page. The signature is highly stylized and appears to be a cursive name.

EXHIBIT M

Form of Payment Bond

[Intentionally Omitted]

A large, handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping tail that extends towards the bottom right of the page.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2013

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental funds balance sheet	6
Statement of activities and governmental funds revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the Pulaski Corridor Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Pulaski Corridor Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2013, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pulaski Corridor Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 30, 2014

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Pulaski Corridor Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2013. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$1,288,527 for the year. This was a decrease of 47 percent over the prior year. The change in net position (including other financing uses) produced a decrease in net position of \$882,161. The Project's net position decreased by 6 percent from the prior year making available \$15,072,179 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 15,212,443	\$ 16,077,670	\$ (865,227)	-5%
Total liabilities	<u>140,264</u>	<u>123,330</u>	<u>16,934</u>	14%
Total net position	<u>\$ 15,072,179</u>	<u>\$ 15,954,340</u>	<u>\$ (882,161)</u>	-6%
Total revenues	\$ 1,316,672	\$ 2,471,201	\$ (1,154,529)	-47%
Total expenses	<u>1,478,564</u>	<u>816,388</u>	<u>662,176</u>	81%
Other financing uses	<u>720,269</u>	<u>2,079,709</u>	<u>(1,359,440)</u>	-65%
Changes in net position	<u>(882,161)</u>	<u>(424,896)</u>	<u>(457,265)</u>	-108%
Ending net position	<u>\$ 15,072,179</u>	<u>\$ 15,954,340</u>	<u>\$ (882,161)</u>	-6%

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2013

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 13,196,398	\$ -	\$ 13,196,398
Property taxes receivable	1,988,000	-	1,988,000
Accrued interest receivable	<u>28,045</u>	-	<u>28,045</u>
Total assets	<u>\$ 15,212,443</u>	<u>\$ -</u>	<u>\$ 15,212,443</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 69,178	\$ -	\$ 69,178
Due to other City funds	<u>71,086</u>	-	<u>71,086</u>
Total liabilities	<u>140,264</u>	-	<u>140,264</u>
Deferred inflows	<u>1,858,067</u>	<u>(1,858,067)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>13,214,112</u>	(13,214,112)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 15,212,443</u>		
Net position:			
Restricted for future redevelopment project costs		<u>15,072,179</u>	<u>15,072,179</u>
Total net position		<u>\$ 15,072,179</u>	<u>\$ 15,072,179</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 13,214,112
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>1,858,067</u>
Total net position - governmental activities	<u>\$ 15,072,179</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 2,011,959	\$ (723,432)	\$ 1,288,527
Interest	28,145	-	28,145
	<hr/>	<hr/>	<hr/>
Total revenues	2,040,104	(723,432)	1,316,672
Expenditures/expenses:			
Economic development projects	1,478,564	-	1,478,564
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	561,540	(723,432)	(161,892)
Other financing uses:			
Operating transfers out (Note 2)	(720,269)	-	(720,269)
	<hr/>	<hr/>	<hr/>
Excess of expenditures and other financing uses over revenues	(158,729)	158,729	-
Change in net position	-	(882,161)	(882,161)
Fund balance/net position:			
Beginning of year	13,372,841	2,581,499	15,954,340
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 13,214,112</u>	<u>\$ 1,858,067</u>	<u>\$ 15,072,179</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ (158,729)
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> (723,432)
Change in net position - governmental activities	<hr/> <u>\$ (882,161)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In June 1999, the City of Chicago (City) established the Pulaski Corridor Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital project and debt service funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). Effective January 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Deferred Inflows

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

Capital Assets

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Operating Transfers Out

During 2013, in accordance with State statutes, the Project transferred \$720,269 to the contiguous Chicago/Central Park Redevelopment Project to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007.

Note 3 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2013, the Project has entered into contracts for approximately \$24,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
PULASKI CORRIDOR REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 78,544
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	8,833
Costs of the construction of public works or improvements	<u>1,391,187</u>
	<u><u>\$ 1,478,564</u></u>



O'HARE PLAZA
8745 WEST HIGGINS ROAD TEL: (312) 263-2700
SUITE 200 FAX: (312) 263-6935
CHICAGO, ILLINOIS 60631 WWW.BK-CPA.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Pulaski Corridor Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2013, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 30, 2014.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Pulaski Corridor Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 30, 2014

INTERGOVERNMENTAL AGREEMENTS
 FY 2013

A list of all intergovernmental agreements in effect in FY 2013 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Bloomingdale Trail	Improvements to CTA station	1,792,234	