
2013 Annual Report

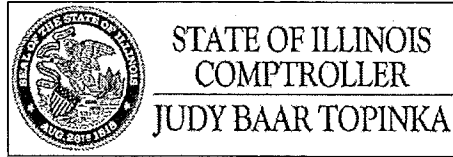
47th/King Drive Redevelopment Project Area



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.]

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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

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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

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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.]

Name of Redevelopment Project Area: 47th/King Drive Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed
If "Combination/Mixed" List Component Types: Commercial/Industrial/Residential
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <u> X </u> Industrial Jobs Recovery Law _____

	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: 47th/King Drive Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 28,608,572

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	5,761,473	\$ 59,883,100	99%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	62,682	711,944	1%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (Identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period 5,824,155

Cumulative Total Revenues/Cash Receipts \$ 60,595,044 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 1,545,474

Transfers to Municipal Sources 170,354

Distribution of Surplus -

Total Expenditures/Disbursements 1,715,828

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS 4,108,327

FUND BALANCE, END OF REPORTING PERIOD* \$ 32,716,899

* 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) \$ 32,716,899

(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 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		\$ 1,545,474

Section 3.2 B

FY 2013

TIF NAME: 47th/King Drive 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	\$105,442
City Program Management Costs	Administration	\$11,392
Ounce of Prevention Fund	Development	\$160,000
Neighborhood Housing Service Chicago	Rehabilitation Program	\$125,037
SomerCor 504, Inc.	Rehabilitation Program	\$268,125
Bigane Paving Co.	Public Improvement	\$632,231
Oosterbaan & Sons Co.	Public Improvement	\$43,716
URS Corp.	Public Improvement	\$74,692
Electrical Resource Management	Public Improvement	\$38,870
Transystem Corp.	Public Improvement	\$11,900
Chicago Department of Transportation	Public Improvement	\$39,218

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: 47th/King Drive Redevelopment Project Area

FUND BALANCE, END OF REPORTING PERIOD \$ 32,716,899

	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		\$ 32,716,899

Total Amount Designated for Project Costs \$ 32,716,899

TOTAL AMOUNT DESIGNATED \$ 32,716,899

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: 47th/King Drive 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: 47th/King Drive 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 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*. 6

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken	\$ -	\$ -	\$ 103,979,271
Public Investment Undertaken	\$ 2,592,501	\$ 8,498,625	\$ 32,985,807
Ratio of Private/Public Investment	0		3 7/46

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

Project is Ongoing ***

Private Investment Undertaken			\$ 3,000,000
Public Investment Undertaken	\$ 496,242	\$ 175,000	\$ 1,500,000
Ratio of Private/Public Investment	0		2

Project 2:**Neighborhood Improvement Fund (NIF) ****

Project is Ongoing ***

Private Investment Undertaken			\$ 4,000,000
Public Investment Undertaken	\$ 936,259	\$ 698,000	\$ 2,000,000
Ratio of Private/Public Investment	0		2

Project 3:**Cuisine Diaspora**

Project is Ongoing ***

Private Investment Undertaken			\$ 5,108,000
Public Investment Undertaken	\$ 1,000,000	\$ 1,002,722	\$ 3,000,000
Ratio of Private/Public Investment	0		1 26/37

Project 4:**Educare Family Center**

Project is Ongoing ***

Private Investment Undertaken			\$ 2,152,445
Public Investment Undertaken	\$ 160,000	\$ 80,000	\$ 400,000
Ratio of Private/Public Investment	0		5 8/21

Project 5:**Bronzeville Artist Lofts**

Project is Ongoing ***

Private Investment Undertaken			\$ 4,876,069
Public Investment Undertaken	\$ -	\$ 542,904	\$ 1,085,807
Ratio of Private/Public Investment	0		4 26/53

Project 6:**Rosenwald Apartments**

Project is Ongoing ***

Private Investment Undertaken			\$ 84,842,757
Public Investment Undertaken		\$ 6,000,000	\$ 25,000,000
Ratio of Private/Public Investment	0		3 13/33

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

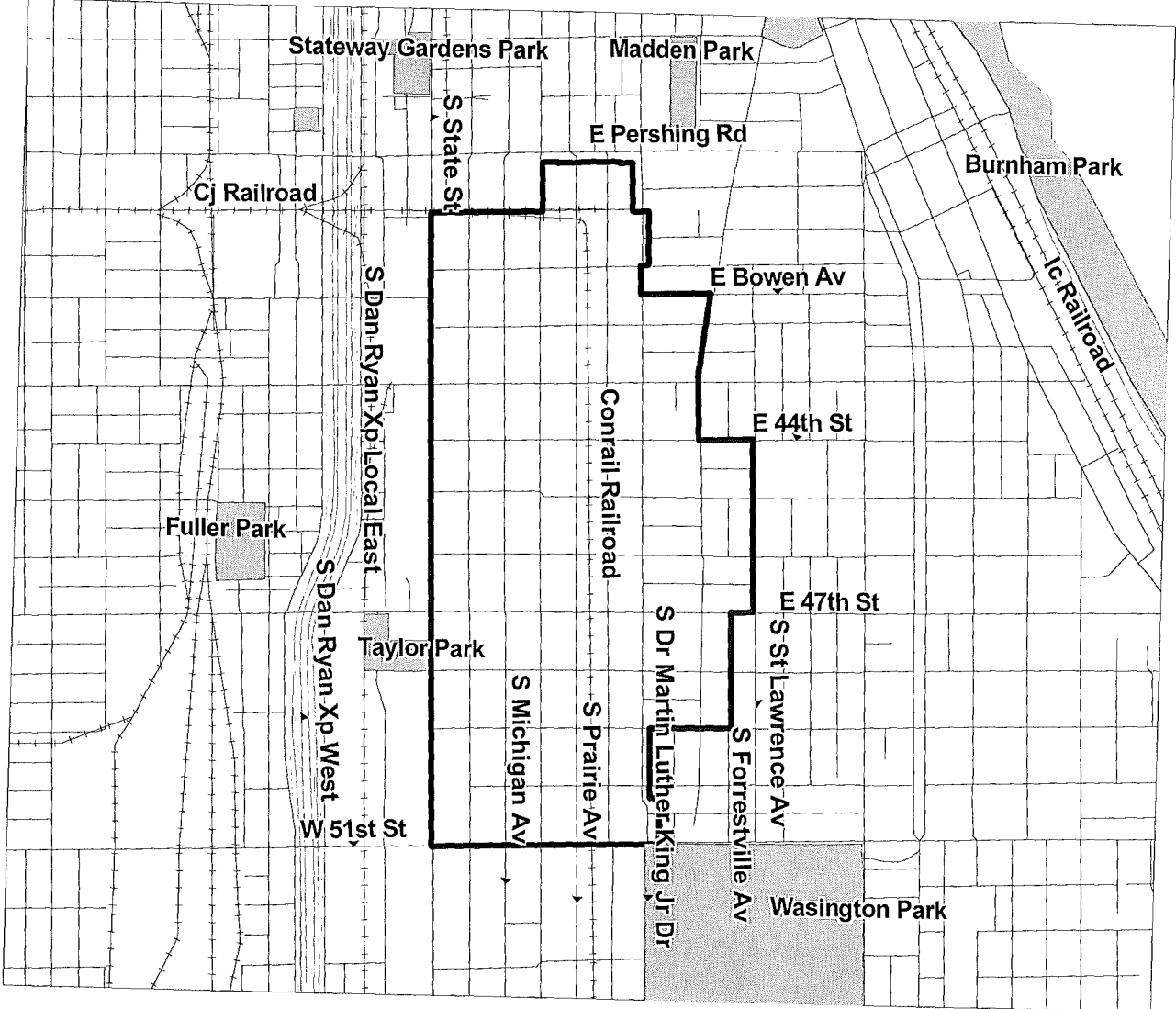
(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are 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.

47th/King Drive 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 47th/King Drive 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.

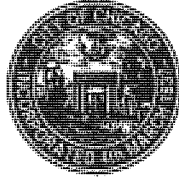
3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

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

June 30, 2014

CITY OF CHICAGO

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: 47th/King Drive
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

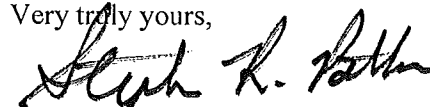
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following 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:

Name of Project
Educare Family Center
Bronzeville Artist Lofts
Rosenwald Apts



Doc#: 1316129080 Fee: \$134.00
RHSP Fee: \$10.00 Affidavit Fee:
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/10/2013 04:13 PM Pg: 1 of 49

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

OUNCE OF PREVENTION FUND REDEVELOPMENT AGREEMENT

This Ounce of Prevention Fund Redevelopment Agreement (this "**Agreement**") is made as of this 6th day of June, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), and Ounce of Prevention Fund, an Illinois not-for-profit corporation duly authorized to do business in the State of Illinois (the "Developer"). 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 "City Council") adopted certain ordinances March 27, 2002: (1) approving a redevelopment plan for the 47th and King Drive Redevelopment Project Area (the "Redevelopment Area"); (2) designating the Redevelopment Area as a "redevelopment project area" under the Act; and (3) adopting tax increment allocation financing for the Area (the "TIF Adoption Ordinance" and collectively with items (1) and (2), the "TIF Ordinances"). The Redevelopment Area is legally described in Exhibit A hereto.

B. The Project: The Developer intends to undertake the redevelopment project described in Exhibit B hereto (the "Project") with respect to certain property owned by the Lessor, as defined in Section 2 herein, and leased by the Developer under a 99-year Ground Lease, as defined in Section 2 herein, and located within the Redevelopment Area and commonly known as 5044 South Wabash Avenue and legally described on Exhibit C (the "Property"). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Project will be carried out in accordance with this Agreement and the City of Chicago 47th and King Drive Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan").

C. City Financing: The City agrees to use Incremental Taxes to reimburse the Developer 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:

"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 RDA 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 RDA, 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 Jobs and Occupancy Covenants (Section 8.05); (2) delivery of Financial Statements (Section 8.13); (3) compliance with the Compliance Period (Section 8.05); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) 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.

"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 4.05 hereof.

"City Funds" shall mean the funds described in Section 4.02 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.

"Compliance Period" shall have the meaning as set forth in Section 8.05 hereof.

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

"Employer(s)" shall have the meaning set forth in Paragraph E of Exhibit D hereto.

"Employment Report" shall mean report submitted annually

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing, if any) 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 12 hereof.

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of the Developer whose principal office is located on the Property and who works at least 35 hours per week. FTEs shall not include persons employed as independent contractors, or consultants. The number of jobs (FTE and part-time) shall be calculated based on monthly averages.)

"General Contractor" shall mean the general contractor(s) hired by the Developer for the Project.

"Ground Lease" shall mean the Indenture of Lease, dated April 1, 1998 by and between Chicago School Reform Board of Trustees on Behalf of the Board of Education of the City of Chicago, as Lessor, and The Ounce of Prevention Fund, as Lessee (the "Original Ground Lease"), as amended by the First Amendment to the Original Ground Lease, dated June 23, 2010 by and between the Lessor and the Lessee (the "First Amendment" together with the Original Ground Lease are collectively, the "Ground Lease").

"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 Redevelopment Area TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Jobs Goal" shall have the meaning as set forth in Section 8.05 hereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and used to pay for Costs of the Project otherwise secured, if any, by the Property.

"Lessor" shall mean the Chicago Board of Education of the City of Chicago (formerly known as the Chicago School Reform Board of Trustees on Behalf of the Board of Education of the City of Chicago).

"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 E-2.

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

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

"Occupancy Covenant" shall have the meaning as set forth in Section 8.05 hereof.

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

"Prior Expenditure(s)" shall mean those prior expenditures relating to the Project set forth in Exhibit G hereto.

"Project Budget" shall mean the budget attached hereto as Exhibit E-1, showing the total cost of the Project by line item.

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

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

"Reimbursement Event" shall mean an act or omission of by the Developer or its Affiliate resulting in an Event of Default relating to: (i) a material misrepresentation to the City related to the Project that the City relied upon (as reasonably determined by the City) in its decision to provide City Funds for the Project or to pay any such City Funds to the Developer; (ii) a fraudulent act or omission related to the Project; (iii) a misappropriation of funds from the uses set forth in the Project Budget resulting in the receipt by the Developer or its Affiliates of additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by HED; (iv) any intentional or material waste to the Project improvements or any portion thereof; (v) any unapproved use of City Funds for payment or reimbursement of amounts other than costs of the TIF-Funded Improvements; (vi) a breach of the transfer and assignment restrictions contained in this Agreement; (vii) any material breach of the representations, warranties or covenants regarding environmental matters contained in this

Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to any portion of the Project improvements unless the portion of the improvements damaged by such event is restored within a reasonable period of time; (ix) material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer or its Affiliates; (xi) any receipt of City Funds after the occurrence of an Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement.

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

"Survey" shall mean a survey of the Property prepared in accordance with Minimum Standard Detail Requirements adopted for ALTA/ACSM Land Title Surveys (2005 Revision), including such Table A requirements as the City may reasonably require, if any, 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 resulting from the Project, if any).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the earlier to occur of: (a) the date on which the Redevelopment Area is no longer in effect, and (b) the date on which the final payment of City Funds is made under this Agreement.

"TIF-Funded Improvements" shall mean those costs 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 I, as the same may be amended with HED's consent.

"Title Company" shall mean

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer 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.

"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.

SECTION 3. THE PROJECT

3.01 The Project. The Developer commenced the Project on June 7, 2010 and completed the Project on October 24, 2010.

3.02 Project Budget. The Developer has furnished to HED, and HED has approved, the Project Budget. The Developer hereby certifies to the City that (a) it has Equity sufficient in an amount sufficient to pay for all Project costs, and (b) the Project Budget is true, correct and complete in all material respects. The Developer may not make any material change to the Project Budget without HED's prior written consent. For purposes of this Section 3.02, the term "material change" shall mean an increase of five percent (5%) or more of any line item in the Project Budget. Any consent by HED shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

3.03 HED Approval. Any approval granted by HED under this Agreement is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project or otherwise lessen the Developer's obligations under Section 5.02.

3.04 Survey Update. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

3.05 Signs and Public Relations. The Developer shall erect a sign in accordance with a template provided by HED, and subject to final approval by HED, in a conspicuous location on the Property during the Project indicating that financing has been provided by the City.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$2,552,445, which the Developer will initially fund from the following sources:

CPS Lease Payments*	\$ 375,000
Buffet Early Childhood Fund	500,000
Crown Family Foundation	250,000
Oscar G. & Elsa S. Mayer Family Foundation	100,000
Rauner Family Foundation	100,000
Marilyn and Larry Fields	50,000
Rothkopf Family Foundation	25,000
<u>Subtotal</u>	<u>\$1,400,000</u>
Equity	<u>\$1,152,445</u>
ESTIMATED TOTAL	<u>\$2,552,445</u>

*A one-time lease payment for use of the Project's parking lot for the remainder of the the Ground Lease.

Such sources of funds shall be used to pay all Project costs because no City Funds will be paid until the City's issuance of a Certificate, and then only as set forth in Section 4.02. Except for the City Funds, no other City financial assistance or incentives have been or will be provided for the Project.

4.02 Reimbursement from City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Developer after the issuance of a Certificate for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit I sets forth the maximum amount of costs that may be reimbursed from City Funds for each line item therein (subject to Section 4.02(b)), contingent upon receipt by the City of documentation satisfactory to HED.

(b) Payment of City Funds.

(i) Subject to the terms and conditions of this Agreement, the City hereby agrees to provide funds solely from Incremental Taxes to reimburse the Developer for the cost of TIF-Funded Improvements up to the maximum amounts determined under Section 4.02(b)(iii) (the "City Funds").

(ii) City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate pursuant to Section 7.01.

(iii) Subject to the terms and conditions of this Agreement, at the issuance of the Certificate and annually thereafter, payments shall be made in five equal installments (each an "Installment") to the Developer on the later of February 1 next following the Developer's submission of a Requisition Form or two months after the Developer's submission of the Requisition Form, in accordance with Section 4.03 and the Annual Compliance Report in accordance with Section 8.05. Each Installment shall be in an annual amount of \$80,000 (with no more than one Installment paid to the Developer per calendar year); provided, however, that the City may elect to prepay the City Funds at HED's sole discretion; provided, further, in no event shall the City reimburse the Developer in excess of the lesser of (a) \$400,000, or (b) sixteen percent (16%) of the Project costs, as set out in the final Project Budget. Furthermore, in no instance shall the total City Funds paid under this Agreement, together with any other financial assistance provided to the Developer with respect to the Project exceed sixteen percent (16%) of the Project costs, as set out in the final Project Budget.

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

- (1) The amount of the Incremental Taxes is sufficient to pay for such costs;
- (2) The City has been paid the City Fee described in Section 4.05 below;
- (3) No Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement; and

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the fulfillment of the conditions set forth in parts (1), (2) and (3) above, as well as the prior issuance of the Certificate and the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.05.

4.03 Requisition Form. On the Completion Date and on or before each October 31st (or such other date as the parties may agree to) thereafter and continuing throughout the Term of the Agreement, the Developer shall provide HED with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per year (or as otherwise permitted by HED). Upon HED's request, the Developer shall meet with HED to discuss any Requisition Form(s).

4.04 Prior Expenditures. Exhibit G hereto sets forth the prior expenditures approved by HED as of the date hereof.

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

4.06 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.

4.07 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. Furthermore, after the issuance of the Certificate pursuant to Section 7.01, it shall be in HED's sole discretion to make any payment pursuant to this Agreement upon and after the occurrence of any action described in Section 8.01(j) for which the Developer did not receive the prior written consent of the City. The payment of City Funds is subject to being terminated and/or reimbursed as provided in Section 12.

SECTION 5. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. HED must have approved the Project Budget.

5.02 Other Governmental Approvals. The Developer must have secured all necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to HED. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work.

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and Lender Financing, if any, to complete the Project. Any liens against

the Property in existence at the Closing Date must have been subordinated to this Agreement pursuant to a Subordination Agreement in the form of Exhibit J to be recorded, at the expense of the Developer, with the Recorder's Office of Cook County.

5.04 Acquisition of Leasehold Interest and Title. The Developer must have furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions listed on Exhibit F hereto and evidence the recording of this Agreement pursuant to the provisions of Section 8.13 hereof. The Title Policy must contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. If the Project involves any acquisition of real property, the Developer must have provided HED with documentation related to such acquisition.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with searches under (a) its name and (b) Chicago Public Schools 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, the Related Entities or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.06 Surveys. The Developer must have furnished the City with three (3) copies of the Survey.

5.07 Insurance. The Developer, at its own expense, must have insured the Property in accordance with Exhibit L hereto, and delivered to HED actual policies or Accord Form 27 certificates evidencing the required coverages.

5.08 Opinion of the Developer's Counsel. On the Closing Date, the Developer must have furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit K, with such changes as may be acceptable to Corporation Counsel.

5.09 Evidence of Prior Expenditures. The Developer must have provided evidence satisfactory to HED in its sole discretion of the Prior Expenditures.

5.10 Financial Statements. The Developer must have provided HED with such financial statements as HED may reasonably require.

5.11 Documentation. The Developer must have provided documentation to HED, satisfactory in form and substance to HED, with respect to the Occupancy Covenant and the Jobs Goal pursuant to per Section 8.05.

5.12 Environmental. The Developer must have provided HED with copies of any existing phase I environmental audits completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.13 Corporate Documents; Economic Disclosure Statement. The Developer must have provided a copy of its articles of incorporation containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and the State of Illinois; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws and such other corporate documentation as the City has requested. The Developer must also have provided the City with an Economic Disclosure Statement dated as of the Closing Date.

5.14 Litigation. The Developer must have provided to Corporation Counsel and HED a description of all pending or threatened litigation or administrative proceedings involving the Developer and the Property.

SECTION 6. AGREEMENTS WITH CONTRACTORS AND CONSTRUCTION REQUIREMENTS

In connection with the Project, the Developer, general contractor and all subcontractors have complied with, the construction requirements set forth in Exhibit D that are applicable to such parties. Such requirements are specific City requirements that must be satisfied and include, without limitation, wage, MBE/WBE utilization and City resident hiring requirements.

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 (exclusive of the covenant contained in Section 8.05 herein) 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.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the performance of the work associated with the Project improvements. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in 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, 8.05 and 8.14 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 15.15 of this Agreement.

7.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, no Certificate will ever be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Funds will ever be paid to the Developer. In addition, if the Project's TIF-Funded Improvements include any public improvements, the City will have the right (but not the obligation) to complete such public improvements and the Developer must immediately reimburse the City for all reasonable costs and expenses incurred in completing such public improvements.

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 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 Developer is an Illinois not-for profit corporation 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) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its articles of incorporation, as amended and supplemented, 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 is now a party or by which the Developer is now or may become bound;

(d) during the term of this Agreement, the Developer and any and all assignees thereof will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein, free and clear of all liens except for the Permitted Liens and such other matters as HED may consent to in writing;

(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 and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary, as and when required, to conduct its business and to construct, complete and 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;

(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 or otherwise dispose of all or substantially all of its assets or any portion of the Property; (3) enter into any transaction outside the ordinary course of Developer's business; or (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligation of any other person or entity if such action would materially adversely affect the ability of the Developer to fulfill its obligations under this Agreement;

(k) after the issuance of the Certificate pursuant to Section 7.01, the Developer shall provide written notice upon the occurrence of any event described in clause (j) above;

(l) the Developer has not entered into any transaction that would cause a material and detrimental change to its financial condition;

(m) the Developer has 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;

(n) neither the Developer nor any affiliate of the Developer 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 shared ownership, a trust, a contract or otherwise; and

(o) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in

direct contractual privity with 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 (Developer 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 Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer 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. The Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the Redevelopment Plan, the TIF Ordinances, the Project Budget and all amendments thereto, and all applicable federal, state and local laws, ordinances, rules, regulations, executive orders and codes. The covenants set forth in this Section shall run with the land but shall be deemed satisfied and shall terminate when the City issues its Certificate for recording in the Recorder's Office of Cook County.

8.03 Use of City Funds. City Funds shall be used by the Developer solely to reimburse the Developer for its payment for the TIF-Funded Improvements.

8.04 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 Redevelopment 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.

8.05 Jobs Goal and Occupancy Covenant and Compliance Period. The Developer shall use its commercially reasonable efforts to maintain Sixty (60) full-time equivalent permanent jobs at the Facility ("Jobs Goal") within twelve months after the issuance of the Certificate through the fifth anniversary of the date of the Certificate ("Compliance Period"), as evidenced in the Annual Compliance Report as defined in Section 2 herein. However, any shortfall of the Jobs Goal will not be deemed an Event of Default. The Developer covenants to expand the operations of its business to the Family Center and to continue to operate within the entire Facility during the Compliance Period (the "Occupancy Covenant")

8.06 Arms-Length Transactions. Except as provided for in Section 12.01, 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.

8.07 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.

8.08 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.

8.09 Financial Statements. The Developer shall provide HED with audited financial statements for each fiscal year within 90 days of the close of such fiscal year and, at HED's request, shall provide such interim unaudited financial statements as HED may require.

8.10 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit L.

8.11 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

8.12 Compliance with Laws. The Property and the Project are and shall be owned and operated in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes.

8.13 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 in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute a subordination agreement in the form of Exhibit J.

8.14 Real Estate Provisions; Governmental Charges. Subject to the next paragraph, the Developer will pay when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project, including, but not limited to, general real estate taxes.

The Developer has the right, before any delinquency occurs, to contest any Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

8.15 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.

SECTION 9. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

SECTION 10. INDEMNIFICATION

The Developer 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 Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner directly or indirectly relating or arising out of this Agreement or the Project. The provisions of the undertakings and indemnification set out in this Section 10 shall survive the termination of this Agreement.

SECTION 11. MAINTAINING RECORDS/RIGHT TO INSPECT

The Developer shall (a) comply with the requirements of Paragraph H of Exhibit D during the Term of the Agreement and cause the other applicable parties to comply with such requirements, and (b) upon three (3) business days' notice, permit any authorized representative of the City to have access to all portions of the Project and the Property during normal business hours to confirm the Developer's compliance with its obligations under this Agreement.

SECTION 12. DEFAULT AND REMEDIES

12.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 12.03, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, 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 if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

(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, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, 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 or the Property which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the HED's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement;

(i) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns 5% or more ownership interest in the Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns such a material interest in the Developer, for any crime (other than a misdemeanor);

(j) after the issuance of the Certificate, the sale or transfer of all or a portion of the ownership interests of the Developer without the prior written notice to the City; or

(k) the occurrence of any Reimbursement Event.

12.02 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. 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. However, the City shall not be entitled to recover any City Funds previously paid to the Developer unless the Event of Default involves a Reimbursement Event.

12.03 Curative Period. In the event the Developer fails to perform any covenant or obligation or breaches any representation or warranty which the Developer is required to perform under this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, 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 thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. No such cure period, however, shall apply to Events of Default described in Section 12(e), (f), (g), (h) or (i), which defaults shall have the cure periods described therein, if any. In addition, no cure period shall apply to any Reimbursement Event.

12.04 Occupancy Covenant Default.

(a) While subject to the occupancy requirements of Section 8.05, if the Developer shall fail to (1) submit an Annual Report for any Compliance Period, or (2) maintain the Occupancy Covenant for a Compliance Period (each an "Occupancy Default"), then Developer shall receive no Installment for such Compliance Period. The Developer, however, shall be entitled to receive subsequent Installments for a Compliance Period so long as Developer is in compliance with the terms and conditions of this Agreement.

(b) If the Developer submits an Annual Report which describes an Occupancy Covenant Default, Developer shall (1) provide the HED with evidence, satisfactory to HED, that it will achieve the Occupancy Covenant for the following Compliance Period, and (2) continue to deliver Annual Reports and maintain the Occupancy Covenant until the completion of the Compliance Period.

SECTION 13. 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 F hereto. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless it complies with the first sentence of Section 15.15 hereof.

SECTION 14. 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 Community 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:	Ounce of Prevention Fund 33 W Monroe, Suite 2400 Chicago, IL 60603 Attention: Sarah Bradley
With Copies To:	Richard F. Klawiter, Esq. DLA Piper US, LLP 203 N LaSalle Street, Suite 1900 Chicago, Illinois 60601-1293

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 15. MISCELLANEOUS

15.01 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 materially change the Project or business operations of the Developer at the Property, or increases the City Funds payable to the Developer.

15.02 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.

15.03 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.

15.04 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.

15.05 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.

15.06 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.

15.07 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.

15.08 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.

15.09 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.

15.10 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.

15.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, and any bond ordinances relating to the Redevelopment Area, if any, such ordinance(s) shall prevail and control.

15.12 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.

15.13 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.

15.14 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.

15.15 Assignment.

(a) Prior to the issuance of the Certificate, 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.

(b) After the issuance of the Certificate, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without providing written notice thereof to the City, whereupon any payments made by the City shall be in its sole discretion and may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement.

The foregoing limitations set forth in (a) and (b) above 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. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

15.16 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.

15.17 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, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

15.19 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.

15.20 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.

15.21 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.

15.22 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.

15.23 Debarment Certification. Failure by the Developer or any controlling person, as defined in Section 1-23-010 of the Municipal Code, thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of this Agreement and the transactions contemplated thereby.

15.24 Inspector General and Legislative Inspector General. It is the duty of the Developer, any subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such Subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that the Developer will inform subcontractors of this provision and require their compliance.

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

[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.

OUNCE OF PREVENTION FUND

By: Gene Brady
Its: Chief Operating Officer

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

By: _____


Its: _____

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.

OUNCE OF PREVENTION FUND

By: _____
Name: _____
Its: _____

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

By:  _____
Andrew J. Mooney
Commissioner

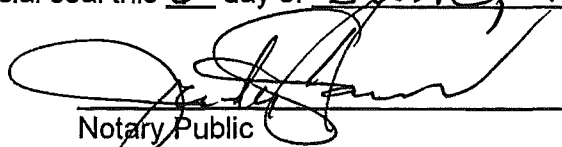
STATE OF ILLINOIS)

) ss

COUNTY OF COOK)

I, Javonda Craig-Freeman, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Sarah Bradley, personally known to me to be the Chief Operating Officer of Ounce of Prevention Fund, an Illinois not-for-profit (the "Developer"), 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/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

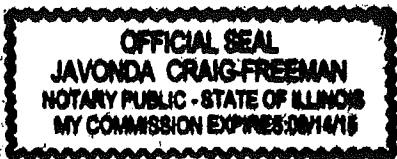
GIVEN under my hand and official seal this 6th day of June, 2013



Notary Public

My Commission Expires 09/14/15

(SEAL)



LIST OF EXHIBITS

Exhibit A	*Legal Description of Redevelopment Area
Exhibit B	*Description of Project
Exhibit C	*Legal Description of Property
Exhibit D	*Construction Requirements
Exhibit E-1	*Project Budget
Exhibit E-2	*MBE/WBE Project Budget
Exhibit F	*Permitted Liens
Exhibit G	Approved Prior Expenditures
Exhibit H	Requisition Form
Exhibit I	*TIF-Funded Improvements
Exhibit J	Form of Subordination Agreement
Exhibit K	Opinion of Developer's Counsel
Exhibit L	Insurance Requirements

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

EXHIBIT A

Legal Description of the Redevelopment Area

See Attachment



*Legal Description Of 47th/King Drive
Redevelopment Project Area.*

All that part of Sections 3,4, 9 and 10 in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the south line of West 51st Street with the west line of South State Street; thence north along said west line of South State Street to the westerly extension of the north line of Lot 46 in Sam Wing's Resubdivision of Block 4 in Prior and Hopkin's Subdivision of the west half of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said north line of Lot 46 being also the south line of East 40th Street; thence east along said westerly extension and the south line of East 40th Street to the east line of South Indiana Avenue; thence north along said east line of South Indiana Avenue to the south line of Lot 7 in Block 1 of Springer's Subdivision of the north half of the west half of the northeast quarter of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lot 7 being also the north line of the alley south of East Pershing Road; thence east along said north line of the alley south of East Pershing Road to the west line of Lot 3 in said Block 1 of Springer's Subdivision; thence south along said west line of Lot 3 in Block 1 of Springer's Subdivision to the south line of said Lot 3; thence east along said south line of said Lot 3 in Block 1 of Springer's Subdivision and along the easterly extension thereof to the east line of South Prairie Avenue; thence north along said east line of South Prairie Avenue to the south line of Lot 4 in Block 2 of said Springer's Subdivision, said south line of Lot 4 being also the north line of the alley south of East Pershing Road; thence east along said north line of the alley south of East Pershing Road and along the easterly extension thereof to the west line of Lot 3 in Wallace R. Martin's Subdivision of the north 100 feet of Lot 1 in the Circuit Court Partition of the east half of the northeast quarter of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian (except that part thereof taken for Grand Boulevard); thence south along said west line of Lot 3 in Wallace R. Martin's Subdivision to the south line thereof; thence east along said south line of Lot 3 in Wallace R. Martin's Subdivision and along the south line of Lots 2 and 1 in said Wallace R. Martin's Subdivision to the east line of said Lot 1, said east line of Lot 1 in Wallace R. Martin's Subdivision being also the west line of South Dr. Martin Luther King, Jr. Drive; thence south along said west line of South Dr. Martin Luther King, Jr. Drive to the westerly extension of the north line of Lot 2 in Cleaver and Sherman's Subdivision of the north 10 acres of the south 10 acres and the south 10 acres

of the north 20 acres in the northwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension to the east line of said South Dr. Martin Luther King, Jr. Drive; thence south along said east line of South Dr. Martin Luther King, Jr. Drive to the centerline of East 41st Street; thence west along said centerline of East 41st Street to the northerly extension of a line 28.00 feet west of and parallel with the west line of Block 2 of George S. Bowen's Subdivision of the north half of the north half of the southwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and a line 28.00 feet west of and parallel with the west line of said Block 2 of George S. Bowen's Subdivision and along the southerly extension thereof to the westerly extension of the centerline of East Bowen Avenue, said centerline of East Bowen Avenue being a line 40 feet south of and parallel with the south line of said Block 2 of George S. Bowen's Subdivision; thence east along said westerly extension and the centerline of East Bowen Avenue to the northerly extension of the easterly line of Lot 1 in the subdivision of the south 10 feet of Lot 1 and all of Lots 2, 3 and 4 in Block 2 of Jennings' Subdivision of the south half of the north half of the southwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said easterly line of Lot 1 being also the westerly line of South Vincennes Avenue; thence south along said northerly extension and the westerly line of South Vincennes Avenue to the southeast corner of Lot 36 in Botford's Boulevard Subdivision of that part of the south half of the south half of the southwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian lying west of South Vincennes Avenue (except that part condemned for West Pierce Avenue), said southeast corner of Lot 36 being also the point of intersection of the westerly line of South Vincennes Avenue with the north line of East 43rd Street; thence south along a straight line to the northeast corner of Lot 35 in the subdivision of that part of the north half of the northwest quarter of the northwest quarter of the southeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said northeast corner of Lot 35 being also the point of intersection of the west line of South Vincennes Avenue with the south line of East 43rd Street; thence south along said west line of South Vincennes Avenue to the south line of Lot 42 in said subdivision of that part of the north half of the northwest quarter of the northwest quarter of the southeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; thence west along said south line of Lot 42 in the subdivision of that part of the north half of the northwest quarter of the northwest quarter of the southeast quarter of said Section 3 to the east line of Lot 9 in Emigh and Kilmer's Plat of that part west of South Vincennes Avenue of the south half of the northwest quarter of the northwest quarter of the southeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said east line of Lot 9 being also the west line of South Vincennes Avenue; thence south along said west line of South Vincennes Avenue to the south line of East 44th Street; thence east along said south line of East 44th Street to the

west line of South St. Lawrence Avenue; thence south along said west line of South St. Lawrence Avenue to the south line of East 47th Street; thence west along said south line of East 47th Street to the east line of South Forestville Avenue; thence south along said east line of South Forestville Avenue to the south line of East 49th Street; thence west along said south line of East 49th Street to the east line of South Dr. Martin Luther King, Jr. Drive; thence south along said east line of South Dr. Martin Luther King, Jr. Drive to the south line of Lot 5 in Henneberry's Subdivision of the west one acre of Lot 8 in Lavinia and Company's Subdivision of Garden and Cottage Lots of the south quarter of the northeast quarter of Section 10, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lot 5 in Henneberry's Subdivision to the west line of Lot 1 in the subdivision of Lots 9, 10 and 11 in Lavinia and Company's Subdivision of Garden and Cottage Lots of the south quarter of the northeast quarter of Section 10, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of South Dr. Martin Luther King, Jr. Drive; thence south along said east line of South Dr. Martin Luther King, Jr. Drive and along the southerly extension thereof to the south line of East 51st Street; thence west along said south line of East 51st Street to the point of beginning at the west line of South State Street, all in the City of Chicago, Cook County, Illinois.

Exhibit "D".
(To Ordinance)

*Street Location Of 47th/King Drive
Redevelopment Project Area.*

The 47th/King Drive Redevelopment Project Area is located on the south side of the city, approximately 5 miles south of the Chicago Loop. A location map is attached. The area covers approximately 322 acres and includes 1,235 buildings along with City rights-of-way. The area is generally bounded by East Pershing Road on the north, South St. Lawrence Avenue and South Dr. Martin Luther King, Jr. Drive on the east, South State Street on the west and East 51st Street on the south.

[Location Map referred to in this Street Location of
47th/King Drive Redevelopment Project Area
constitutes Exhibit "E" to the ordinance
and is printed on page 81457
of this Journal.]

EXHIBIT B

Description of the Project

The Project shall be completed in accordance with the plans and specifications and the signage requirements described below, copies of which have been provided to HED and which are a part of the Construction Contract.

The Project consists of the renovation of the existing 24,000 square foot building (the "Educare Center") and site preparation for the construction of a 7,800 square foot addition, a Family Activity and Resource Center, to the Educare Center (the "Family Center" together with the Educare Center is the "Facility") on property located at 5044 South Wabash Avenue (the "Property"). The Chicago Board of Education ("CPS") owns the Property and the Developer has a ground lease with CPS. The Educare Center is an early childhood education center that houses a total of 13 classrooms, a training room, offices, an industrial kitchen, two gyms, and a secure guarded entrance. The addition will connect to the Educare center via a breezeway and house the Family Center. The renovation in the Educare Center will provide much needed meeting space, a child's assessment space, a new ADA bathroom and updated staff break area. The area within the Educare Center will be demolished and all walls, flooring, ceilings, and fixtures will be newly constructed.

EXHIBIT C

Legal Description of Property

Legal Description: THAT PART OF LOTS 1 THROUGH 48, INCLUSIVE, IN BLOCK 3 AND LOTS 5 THROUGH 48, INCLUSIVE, IN BLOCK 4, IN WILLIAMS M. DERBY'S SUBDIVISION, BEING A SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 11, 1867, ANTE-FIRE, RE-RECORDED OCTOBER 4, 1870, ANTE-FIRE, RE-RECORDED OCTOBER 22, 1872, PER DOCUMENT NUMBER 63833, IN PLAT BOOK 3, PAGE 18, AND SUB-LOTS 1 THROUGH 4, INCLUSIVE, IN HARRIS AND MCGIMSIE'S RESUBDIVISION, BEING A SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 2, 1901, PER DOCUMENT NUMBER 3049436, IN PLAT BOOK 79, PAGE 41, ALSO THAT PART OF A 20 FOOT WIDE ALLEY, IN BLOCK 4, IN THE AFORESAID WILLIAMS M. DERBY'S SUBDIVISION, VACATED BY ORDINANCE PASSED DECEMBER 21, 1939, RECORDED JANUARY 22, 1940, PER DOCUMENT NUMBER 12425365, IN BOOK 332, PAGE 29, ALSO THAT PART OF 50TH STREET, LYING BETWEEN LOTS 3 AND 4, IN THE AFORESAID WILLIAMS M. DERBY'S SUBDIVISION, VACATED BY ORDINANCE PASSED DECEMBER 21, 1939, RECORDED JANUARY 22, 1940, PER DOCUMENT NUMBER 12425365, ALL IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID VACATED 50TH STREET AND THE EASTERLY LINE OF SOUTH STATE STREET; THENCE SOUTH 00 DEGREES 05 MINUTES 11 SECONDS WEST, ALONG SAID EASTERLY LINE, TO THE POINT OF BEGINNING, THENCE SOUTH 89 DEGREES 54 MINUTES 49 SECONDS EAST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE, 238.04 FEET; THENCE SOUTH 00 DEGREES 09 MINUTES 13 SECONDS WEST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE AND PARALLEL WITH THE WESTERLY LINE OF SOUTH WABASH AVENUE, 294.97 FEET; THENCE SOUTH 89 DEGREES 50 MINUTES 47 SECONDS EAST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE, 103.36 FEET, TO THE WESTERLY LINE OF SAID SOUTH WABASH AVENUE; THENCE SOUTH 00 DEGREES 09 MINUTES 13 SECONDS WEST, ALONG SAID WESTERLY LINE, 238.32 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 47 SECONDS WEST, ALONG A LINE PERPENDICULAR TO THE LAST DESCRIBED COURSE, 167.67 FEET, TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 8.00 FEET, AN ARC LENGTH OF 10.73 FEET AND A CHORD BEARING OF NORTH 51 DEGREES 26 MINUTES 20 SECONDS WEST, TO A POINT OF TANGENCY; THENCE NORTH 13 DEGREES 01 MINUTES 53 SECONDS WEST, 7.80 FEET, TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 12.00 FEET, AN ARC LENGTH OF 13.34 FEET AND A CHORD BEARING OF NORTH 44 DEGREES 52 MINUTES 05 SECONDS WEST, TO A POINT OF TANGENCY; THENCE NORTH 76 DEGREES 42 MINUTES 17 SECONDS WEST, 11.90 FEET, TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 16.00 FEET, AN ARC LENGTH 17.91 FEET AND A CHORD BEARING OF NORTH 44 DEGREES 38 MINUTES 09 SECONDS WEST, TO A POINT OF TANGENCY; THENCE NORTH 12 DEGREES 34 MINUTES 02 WEST, 11.99 FEET, TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 12.00 FEET, AN ARC

EXHIBIT C

Legal Description of Property (Continued)

LENGTH OF 13.43 FEET AND A CHORD BEARING OF NORTH 44 DEGREES 37 MINUTES 34 SECONDS WEST, TO A POINT OF TANGENCY; THENCE NORTH 76 DEGREES 41 MINUTES 06 SECONDS WEST, 11.28 FEET, TO A LINE PARALLEL WITH THE EASTERLY LINE OF SAID SOUTH STATE STREET; THENCE NORTH 00 DEGREES 05 MINUTES 11 SECONDS EAST, ALONG SAID PARALLEL LINE, 148.66 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 49 SECONDS WEST, PERPENDICULAR TO THE EASTERLY LINE OF SAID SOUTH STATE STREET, 108.50 FEET, TO SAID EASTERLY LINE; THENCE NORTH 00 DEGREES 05 MINUTES 11 SECONDS EAST, ALONG SAID EASTERLY LINE, 323.69 FEET, TO THE POINT OF BEGINNING.

THE AFOREMENTION PARCEL HAS AN AREA OF 2.905 ACRES (126,559 SQUARE FEET), MORE OR LESS.

Permanent Index Numbers: 20-10-118-001, 20-10-118-002, 20-10-118-003

Commonly known as: 5044 S. Wabash Avenue

EXHIBIT D

Construction Requirements

A. Construction Contract. Upon HED's request, the Developer must provide HED with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon HED's request, a copy of any subcontracts.

B. Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

C. Employment Profile. Upon HED's request, the Developer, the General Contractor and all subcontractors must submit to HED statements of their respective employment profiles.

D. Prevailing Wage. The Developer, the General Contractor and all subcontractors have paid the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. 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 Paragraph D.

E. 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:

(1) 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.

(2) 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.

(3) 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.

(4) Each Employer, in order to demonstrate compliance with the terms of this Paragraph, 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.

(5) Each Employer shall include the foregoing provisions of subparagraphs (1) through (4) 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.

(6) Failure to comply with the employment obligations described in this Paragraph E shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

F. City Resident Construction Worker Employment Requirement. During the construction of the Project, the Developer, the General Contractor and each subcontractor have complied 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 have made 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 Paragraph 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 Paragraph 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 Paragraph. 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 Paragraph F to be included in all construction contracts and subcontracts related to the Project.

G. The Developer's MBE/WBE Commitment. The Developer and the General Contractor have complied with the requirements set forth herein and agree that during the Project:

(1) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Paragraph G, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit E-2 (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 24 percent by MBEs.
- ii. At least 4 percent by WBEs.

2. For purposes of this Paragraph G 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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(3) Consistent with Section 2-92-440, 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 a 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 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 Paragraph G. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

(4) Prior to the City's issuance of a Certificate, the Developer shall provide to HED a final report describing its efforts to achieve compliance with this MBE/WBE commitment. Such report 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 HED in determining the Developer's compliance with this MBE/WBE commitment. HED has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with the Redevelopment Agreement, on five (5) 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.

(5) 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 Section 2-92-540, Municipal Code of Chicago.

(6) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Paragraph G shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(7) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of HED with regard to the Developer's compliance with its obligations under this Paragraph G. During this meeting, the Developer shall demonstrate to HED its plan to achieve its obligations under this Paragraph G, the sufficiency of which shall be approved by HED. During the Project, the Developer shall, upon the request of the monitoring staff of HED, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by HED, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

H. Books and Records. The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

I. Incorporation in Other Contracts. **[Intentionally Omitted]**

EXHIBIT E-1

Project Budget

<u>Uses</u>	<u>Amount</u>
Hard Construction Costs	\$ 1,704,309
Construction Contingency	165,000
General Conditions	175,000
Contractor Fee	157,290
Insurance	22,260
Architectural Fee	117,500
Design Fee	8,360
Survey and Engineering	39,107
MEP (Mechanical, Electrical, Plumbing)	7,150
Legal Fees	16,448
Landscape Plan	19,415
Soil Boring and Engineering Report	5,256
Project Management	115,350
Total	\$ 2,552,445

EXHIBIT E-2

MBE/WBE Project Budget

Hard Costs of Construction	\$1,704,309
Contingency	\$ 165,000*
Total	\$1,869,309

*To the extent that the contingency monies are expended for the hard costs construction they will count towards the MBE/WBE requirement.

EXHIBIT F

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, as follows:

EXHIBIT G

Approved Prior Expenditures

[Intentionally Omitted]

EXHIBIT H

Requisition Form

[Intentionally Omitted]

EXHIBIT I

TIF-Funded Improvements

<u>Line Item</u>	<u>Cost</u>
Renovations	\$ 98,098
Site Preparation	\$479,791
TOTAL	\$577,889*

* The maximum amount of City Funds provided to the Developer shall not exceed \$400,000.

EXHIBIT J

Form of Subordination Agreement

[Intentionally Omitted]

EXHIBIT K

Opinion of Developer's Counsel

[Intentionally Omitted]

EXHIBIT L

Insurance Requirements

[Intentionally Omitted]

1310833032

Doc#: 1310833032 Fee: \$192.00
RHSP Fee:\$10.00 Affidavit Fee:
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 04/18/2013 09:03 AM Pg: 1 of 78

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BRONZEVILLE ARTIST LOFTS LLC REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

BRONZEVILLE ARTIST LOFTS LLC

AND

BAL DEVELOPMENT LLC

AND

Chicago Title Land Trust Company
not personally but as Trustee under the Trust Agreement dated 10/18/2012
and known as 8002360481.

This agreement was prepared by
and after recording return to:
Ann R. Kaplan-Perkins, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

BOX 334 CT1

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Exhibit G	*Permitted Liens
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Exhibit H-2	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	*Preliminary TIF Projection -- Real Estate Taxes
Exhibit L	Requisition Form
Exhibit M	Form of Subordination Agreement

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

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

This agreement was prepared by and after recording return to:
Ann R. Kaplan-Perkins, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

BRONZEVILLE ARTIST LOFTS LLC REDEVELOPMENT AGREEMENT

This Bronzeville Artist Lofts LLC Redevelopment Agreement (this "Agreement") is made as of this 10th day of April, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("DHED"), Chicago Title Land Trust Company, not personally but as Trustee under the Trust Agreement dated 10/18/2012, and known as 8002360481 ("Trustee") and Bronzeville Artist Lofts LLC, an Illinois limited liability company (the "Owner"), and BAL Development LLC, an Illinois limited liability company ("BAL" and together with the Owner, the "Developer").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/King Drive Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the

47th/King Drive Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th/King Drive Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Owner intends to purchase (the "Acquisition") certain property located within the Redevelopment Area at 436 East 47th Street, Chicago, Illinois 60653 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete rehabilitation of approximately 12,233 square feet of commercial space contained in the 33,614 square foot mixed-use building that will also include affordable live/work rental apartments [primarily for artists] on the upper floors (the "Facility") thereon. The commercial space will be developed for use as an art gallery, shared warehouse space for artists and space for a commercial tenant. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 47th/King Drive Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(d) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, in order to reimburse the City for the costs of TIF-Funded Improvements.

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:

"47th/King Drive TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

"Actual residents of the City" shall mean persons domiciled within the City.

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

"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 RDA 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 RDA, 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 Operating Covenant (**Section 8.06**); (2) compliance with the Jobs Covenant (**Section 8.06**); (3) delivery of Financial Statements and unaudited financial statements (**Section 8.13**); (4) delivery of updated insurance certificates, if applicable (**Section 8.14**); (5) 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.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

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

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

"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 of Rehabilitation described in Section 7.01 hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

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

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

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

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between the Developer and the General Contractor providing for construction of the Project.

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

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s), substantially in the form of Exhibit F attached hereto.

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

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

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

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

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

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"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 47th/King Drive TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"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 H-2, as described in Section 10.03.

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

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

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

"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.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

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

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

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

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, furnished by the Developer to DHED, in accordance with Section 3.03 hereof.

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

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

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

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit L, to be delivered by the Developer to DHED pursuant to Section 4.04 of this Agreement.

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

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban 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 Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2025).

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bonds" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Ordinance" shall have the meaning set forth in the Recitals hereof.

"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. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer 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.

"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. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than March 1, 2013; and (ii) complete construction and conduct business operations therein no later than September 1, 2014.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DHED and DHED has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DHED as a Change Order pursuant to Section 3.04 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.

3.03 Project Budget. The Developer has furnished to DHED, and DHED has approved, a Project Budget showing total costs for the Project in an amount not less than Six Million Nine Hundred Nineteen Thousand One Hundred Thirty-Nine Dollars (\$6,919,139). The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DHED certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DHED concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DHED for DHED's prior written approval: (a) a reduction in the square footage of the Facility; (b) a change in the use of the Property to a use other than mixed use (commercial/residential); or (c) a delay in the completion of the Project; or Change Orders costing more than \$25,000 each, to an aggregate amount of \$100,000. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DHED's written approval (to the extent required in this section). 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. Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than Twenty-Five Thousand Dollars (\$25,000.00) each, to an aggregate amount of One Hundred Thousand Dollars (\$100,000.00), do not require DHED's prior written approval as set forth in this Section 3.04, but DHED shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DHED the source of funding therefor.

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

3.06 Other Approvals. Any DHED approval under this 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 DHED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide DHED with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DHED's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DHED upon the request of DHED or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DHED 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 DHED, prior to requests for disbursement for costs related to the Project hereunder.

3.09 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. DHED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 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.

3.11 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.

3.12 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 of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$6,919,139, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$ 80,000
NSP2 Funds	\$5,273,332
Department of Environment Grant	\$ 80,000
Lender Financing	<u>\$1,485,807</u>
ESTIMATED TOTAL	\$6,919,139

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Owner for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DHED evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Owner hereunder prior to the issuance of a Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds of (i) up to \$814,355 upon issuance of the Certificate and (ii) up to \$271,452 one year thereafter, in Incremental Taxes (the "City Funds") to pay for or reimburse the Owner for the costs of the TIF-Funded Improvements, provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of One Million Eighty Five Thousand Eight Hundred Seven Dollars (\$1,085,807) or eighteen percent (18%) of the actual total Project costs; and provided further, that the \$1,085,807 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Incremental Taxes deposited into the 47th/King Drive TIF Fund shall be sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth in parts (I) and (II) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increase proportionately.

4.04 Requisition Form. Upon receipt of the Certificate and on the date that is one year after the Certificate (or such other date as the parties may agree to), the Owner shall provide DHED with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made only twice (or as otherwise permitted by DHED), and in the amounts set forth above in Section 4.03(b). The Owner shall meet with DHED at the request of DHED to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures. Only those expenditures made by the Owner with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DHED and approved by DHED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DHED shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit 1 hereto sets forth the prior expenditures approved by DHED as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Owner, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Owner pursuant to Section 4.01 hereof.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, the Owner shall submit documentation regarding the applicable expenditures to DHED, which shall be satisfactory to DHED in its sole discretion. Delivery by the Owner to DHED of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

(c) the Owner has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

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 DHED, and DHED has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

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

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

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer 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 Developer as needed and are sufficient (along with other sources set forth in Section 4.01) to complete the Project. The Developer has delivered to DHED a copy of the construction escrow agreement entered into by the Developer regarding the Lender Financing. 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 Developer as the named insured. 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 (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DHED, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DHED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name 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 DHED.

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 J, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

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

5.11 Financial Statements. The Developer has provided Financial Statements to DHED for its most recent fiscal year, and audited or unaudited interim financial statements.

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

5.13 Environmental. The Developer has provided DHED with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of its organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's

certificate in such form and substance as the Corporation Counsel may require; operating agreement of the limited liability company; and such other documentation as the City has requested. The Developer 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 DHED, 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. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DHED for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to DHED 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 DHED 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 DHED and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, the Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed [14%] of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DHED a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DHED'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 DHED 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 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 acceptable in form to the City. 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 3.04 (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 DHED 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 rehabilitation of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DHED shall 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. DHED shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the rehabilitation 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, 8.06, 8.19 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 upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. 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;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, 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; and

(c) the right to seek reimbursement of the City Funds from the Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DHED 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 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 Developer is an Illinois limited liability company 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) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Organization or operating agreement as amended and supplemented, 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 is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer 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)

(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 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 operate the Project;

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

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, 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 a Certificate, the Developer shall not do any of the following without the prior written consent of DHED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

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

(l) has 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; and

(m) neither the Developer nor any affiliate of the Developer 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.

8.02 Covenant to Redevelop. Upon DHED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto; the TIF Ordinances, 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 Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other 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 Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); 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.

8.06 Job Creation and Retention; Covenant to Remain in the City. The Developer shall strive to retain one full-time equivalent, permanent job at the Project within six months of the completion thereof and through the Term. The Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the site described above through the Term.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City monthly written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DHED which shall outline, to DHED'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 DHED, from time to time, statements of its employment profile upon DHED's request.

8.09 Prevailing Wage. The Project is subject to the requirements of the Davis-Bacon Act, 40 U.S.C. Section 276a et seq. Accordingly, pursuant to 820 ILCS 130/11, Section 11 of the Illinois Prevailing Wage Act (820 ILCS 130/0/01 et seq.), the requirements of Illinois Prevailing Wage Act shall not apply to the Project.

8.10 Arms-Length Transactions. Unless DHED 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 DHED'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 DHED Financial Statements for the Developer's fiscal year ended 2011 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 DHED 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 DHED, within thirty (30) days of DHED's request, official receipts from the appropriate entity, or other proof satisfactory to DHED, 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 DHED's sole option, to furnish a good and sufficient bond or other security satisfactory to DHED in such form and amounts as DHED 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 DHED 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. 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. 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 or 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. 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 DHED of

the Developer's intent to contest or object to a Governmental Charge and, unless, at DHED's sole option,

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

(ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DHED in such form and amounts as DHED 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 DHED thereof in writing, at which time DHED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DHED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DHED deems advisable. All sums so paid by DHED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DHED 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) Acknowledgment of Real Estate Taxes. The Developer agrees that for the purpose of this Agreement, the total projected minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K.

(ii) 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.

(iii) 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 or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year.

(iv) 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 up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) 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, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 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.

8.21 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Developer shall submit to DHED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

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 DHED 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 DHED, 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 DHED, 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 MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal

Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DHED.

(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

The Developer hereby represents and warrants to the City that the Developer has conducted 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, the Bond Ordinance, if any, and the Redevelopment Plan.

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

SECTION 12. INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

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

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of 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 (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(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 must be maintained with limits of not less than \$ 1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

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

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

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

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer 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 Indemnitees 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 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 if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

(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, 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 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 or the death of any natural person who owns a material interest in 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); or

(k) prior to the payment of all City Funds hereunder, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's membership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer are or shall be parties,

suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, and/or 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 damages, 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 thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, 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 thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been 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 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 Z 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 DHED.

SECTION 17. NOTICE

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

If to the City:	City of Chicago Department of Housing and Economic Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division
If to the Developer:	Bronzeville Artist Lofts LLC/BAL Development LLC 15657 S. 70 th Court Orland Park, Illinois 60462 Attention: Robert Ferrino
With Copies To:	Gonsky, Baum & Whittaker 112 S. Sangamon Street Chicago, Illinois 60607 Attention: Mitchell P. Whittaker, Esq.

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

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/or the Bond Ordinance, 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, DHED or the Commissioner, or any matter is to be to the City's, DHED'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, DHED 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 DHED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment. 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. 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 (Real Estate Provisions) and 8.20 (Survival of Covenants) hereof, for the Term of the Agreement. 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, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to

this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if 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 agrees 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.

BRONZEVILLE ARTIST LOFTS LLC

By: [Signature]

Its: Manager

BAL DEVELOPMENT LLC

By: [Signature]

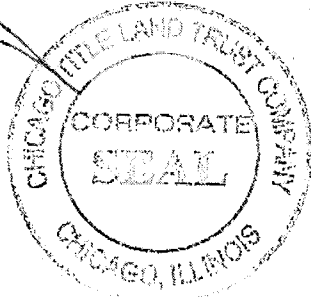
Its: Manager

CITY OF CHICAGO

By: _____
Andrew J. Mooney, Commissioner
Department of Housing and Economic Development

CHICAGO TITLE LAND TRUST COMPANY
Not personally but solely as Trustee as aforesaid

By: [Signature]
Its: Trust Officer



1. This instrument is executed by the undersigned Land Trustee personally but solely as Trustee in the exercise of the power authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, covenants, representations, covenants, undertakings and promises herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. No personal liability or personal responsibility is incurred by it, shall at any time be asserted or enforced against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.

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.

BRONZEVILLE ARTIST LOFTS LLC

By: _____

Its: _____

BAL DEVELOPMENT LLC

By: _____

Its: _____

CITY OF CHICAGO

By: 

Andrew J. Mooney, Commissioner
Department of Housing and Economic Development

CHICAGO TITLE LAND TRUST COMPANY
Not personally but solely as Trustee

By: _____

Its: _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT A

REDEVELOPMENT AREA

(see Ex. __ of the Redevelopment Plan - Ex. D to the Agreement)

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT B
PROPERTY

Legal Description:

LOTS 7 AND 8 IN BLOCK 2 IN SNOW AND DICKINSON'S SUBDIVISION OF LOTS 1 TO 4 IN WHITCOMB AND WARNER'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN: 20-03-422-020-0000

Commonly known as: 436-42 East 47th Street, Chicago, Illinois

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Rehabilitation	\$676,722
Architectural & Engineering	259,740
Environmental Abatement	171,349
Construction Interest	33,157
<u>TIF RDA Legal Fees</u>	<u>20,000</u>
Total	\$1,160,968*

*Notwithstanding this amount, the total amount payable for TIF-Eligible costs will not exceed \$1,085,807.

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: None.

EXHIBIT H-1
PROJECT BUDGET

	\$4,399,811
Hard Costs	
Contingency	364,489
Commercial Contingency	70,492
Loan Fee @ 3%	15,000
Construction Interest	86,650
Construction Inspection Fee	33,099
Wire, UCC & Misc	350
Tax & Insurance Escrow	64,547
Application Fee	300
Appraisal Fee	1,500
Builder's Risk & General Liability Insurance	28,846
NSP Legal Fees	20,000
TIF RDA Legal Fees	20,000
TIF Consultant	37,785
Community Charrette Consultant	20,000
Permitting/Expediting	3,000
ALTA Survey	3,500
Architectural & Engineering	259,740
Environmental Abatement	171,349
Title, Escrow, Endorsements and Recording	7,500
Land Trust Fee & Construction Escrow Fees	3,500
CIC Interest Reserve	35,417
Operating Reserve	45,636
Security	36,000
NSP Demo Dollar Uses	622,340
Fee	568,288
Total	\$6,919,139

EXHIBIT H-2

MBE/WBE BUDGET

Line Item	Amount
Architect	\$ 154,000
Construction - Hard Costs	\$ 4,399,811

Total	\$ 4,553,811.00
-------	-----------------

MBE (24%) \$ 1,092,914.64
WBE (4%) \$ 182,152.44

EXHIBIT K

PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES



COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

Bronzeville Artist Lofts
Exhibit K - Preliminary TIF Projection

Purpose of This Sheet: To determine the Minimum Assessed Value for 3 years for the BAL project. This is necessary per TIF requirements and will be used in an exhibit to the RDA.

Tax Levy Year	2012	2013	2014	2017	2018
Tax Payment Year	2013	2014	2015	2018	2019
Assessed Fair Market Value	136,280	136,280	832,910	1,767,726	1,803,081
Multifamily Assessment Rate	10.00%	10.00%	10.00%	10.00%	10.00%
Land Assessed Value	9,375	9,375	12,494	26,516	27,046
Building Assessed Value	4,253	4,253	70,797	150,257	153,262
Minimum Assessed Value	13,628	13,628	83,291	176,773	180,308
Equalization Factor	2.9706	2.9706	2.9706	2.9706	2.9706
Equalized Assessed Value (EAV)	40,483	40,483	247,424	525,121	535,623
City of Chicago Property Tax Rate	5.455%	5.455%	5.455%	5.455%	5.455%
Total Taxes Due:	2,208.37	2,208.37	13,497.00	28,645.33	29,218.24

Summary

Tax Year	2014	2015	2016
Fair Market Value	832,910	1,699,083	1,733,065
Minimum Assessed Value	83,291	169,908	173,306
Equalized Assessed Value (EAV)	247,424	504,730	514,824
Total Taxes Due	13,497.00	27,533.00	28,083.66

Assumptions:

- Actuals were used for 2006-2012; Sources for this data were MLS, Cook County Assessor, Cook County Treasurer
- For projections (light blue), total taxes were taken from TIF projections (project file) until 2015. Then inflated by 2%.
- Property Tax Rate, Equalization Factor were held constant at (2012 levy year) rates
- MF Assessment Rate was held steady at 10%
- Land Assessed Value and Building Assesed Value are Informational only and are allocated as 15% and 85% of Min Assesed Value.
- Note: our assumptions for Property Tax Rate and Equalization Factor can influence Min Assesed Value

EXHIBIT A

REDEVELOPMENT AREA

(see Ex. ___ of the Redevelopment Plan - Ex. D to the Agreement)

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT B

PROPERTY

Legal Description:

LOTS 7 AND 8 IN BLOCK 2 IN SNOW AND DICKINSON'S SUBDIVISION OF LOTS 1 TO 4 IN WHITCOMB AND WARNER'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN: 20-03-422-020-0000

Commonly known as: 436-42 East 47th Street, Chicago, Illinois , 60653 -

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Rehabilitation	\$676,722
Architectural & Engineering	259,740
Environmental Abatement	171,349
Construction Interest	33,157
<u>TIF RDA Legal Fees</u>	<u>20,000</u>
Total	\$1,160,968*

*Notwithstanding this amount, the total amount payable for TIF-Eligible costs will not exceed \$1,085,807.

EXHIBIT D
REDEVELOPMENT PLAN

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT E

CONSTRUCTION CONTRACT

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT F
ESCROW AGREEMENT

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

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, if any: None.

EXHIBIT H-1
PROJECT BUDGET
See attached.

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT H-2

MBE/WBE BUDGET

Line Item	Amount
Architect	\$ 154,000
Construction - Hard Costs	\$ 4,399,811
Total	\$ 4,553,811.00

MBE (24%) \$ 1,092,914.64
WBE (4%) \$ 182,152.44

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT I
APPROVED PRIOR EXPENDITURES

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on the Developer's Counsel's letterhead]

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to _____, an [Illinois] _____ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the _____ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) _____ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");
- (b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and
- (c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if the Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect

under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

[Note: include a reference to the laws of the state of incorporation/organization of the Developer, if other than Illinois.]

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

By: _____

Name: _____

EXHIBIT K

PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

[Developer]

By: _____

Name

Title: _____

Subscribed and sworn before me this ____ day of _____
_____.

My commission expires: _____

Agreed and accepted:

Name

Title: _____

City of Chicago

Department of Housing and Economic Development

COOK COUNTY
RECORDED
SCANNED BY _____

EXHIBIT M

FORM OF SUBORDINATION AGREEMENT

This document prepared by and after recording return to:

, Esq.
Assistant Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made and entered into as of the _____ day of _____, _____ between the City of Chicago by and through its Department of Housing and Economic Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

WITNESSETH:

WHEREAS, Bronzeville Artist Lofts LLC, an Illinois limited liability company (the "Developer"), has purchased certain property located within the 47th/King Drive Redevelopment Project Area at 436 East 47th Street, Chicago, Illinois 60653 and legally described on Exhibit A hereto (the "Property"), in order to rehabilitate the building (the "Building") located on the Property to develop commercial space for an art gallery, artist warehouse space and another commercial space, as well as 16 units of residential/work space for artists (the "Project."); and

WHEREAS, as part of obtaining financing for the Project, the Developer has entered into a certain Construction Loan Agreement dated as of _____ with the Lender pursuant to which the Lender has agreed to make a loan to the Developer in an amount not to exceed \$ _____ (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated _____ and recorded on _____ as document number _____ made by the Developer to the Lender; and (ii) Assignment of Leases and Rents recorded _____ as document number _____ made by the

Developer to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02, 8.06 and 8.19 of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

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

With a copy to: City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

If to the Lender: _____

Attention: _____

With a copy to: _____

Attention: _____

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By:

Its: _____

CITY OF CHICAGO

By:

Its: Commissioner,
Department of Housing and Economic

Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, _____

[Developer], a _____

By:

Its:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and notarial seal this ____ day of _____, _____.

Notary Public

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of [Lender], a _____, 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/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, _____.

Notary Public

My Commission Expires

(SEAL)

EXHIBIT A - LEGAL DESCRIPTION

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

1334716055

Doc#: 1334716055 Fee: \$306.00
RHSP Fee: \$0.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 12/13/2013 09:58 PM Pg: 1 of 136

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

S:\SHARED\Finance\Rosenwald Courts\TIF RDA\rda 16.doc

This agreement was prepared by and
after recording return to:
Michael L. Gaynor, Senior Counsel
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

ROSENWALD COURTS TIF REDEVELOPMENT AGREEMENT

This Rosenwald Courts TIF Redevelopment Agreement (this "Agreement" or "RDA") is made as of the 1st day of December, 2013, among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), Rosenwald Courts Apartments, LP, an Illinois limited partnership (the "Owner"), the general partner of which is Rosenwald Courts GP, LLC, an Illinois limited liability company (the "General Partner"), the managing member of which is GB Rosenwald, LLC, an Illinois limited liability company (the "Managing Member"), and Burton Rosenwald GP, LLC, an Illinois limited liability company (the "Sponsor," and together with the Owner, the "Developer"), the sole member of which is The Burton Foundation, an Illinois not-for-profit corporation (the "Foundation").

Near North National Title
222 N. LaSalle
Chicago, IL 60601

135

NO 1131436

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on March 27, 2002, published at pages 81231 through 81472 of the Journal of Proceedings of the City Council of the City for said date: (1) approving a redevelopment plan (the "Redevelopment Plan") for the 47th and King Drive Redevelopment Project Area (the "Area"); (2) designating the Area as a Redevelopment Project Area pursuant to the Act; and (3) adopting tax increment allocation financing for the Area (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Owner has purchased certain property and improvements located within the Redevelopment Area located at 4600 South Michigan Avenue, Chicago, Illinois 60653 (and other addresses), and legally described on Exhibit B-1 hereto (the "Apartment Property"). The Apartment Property is currently the site of the historic Michigan Boulevard Garden Apartments (also known as the Rosenwald Apartments), and is bounded by East 46th Street on the north, East 47th Street on the south, South Wabash Avenue on the west, and South Michigan Avenue on the east. In addition to the Apartment Property, the Owner intends to purchase nine (9) vacant, City-owned parcels of land located within the Redevelopment Area, and legally described on Exhibit B-2 hereto (the "City Parking Property," 4648 South Wabash Avenue, 4638 South Wabash Avenue and 4601, 4609 and 4611 South Michigan Avenue), and three (3) vacant, privately-owned parcels of land located within the Redevelopment Area, and legally described on Exhibit B-3 hereto (the "Private Parking Property"). A portion of the City Parking Property is located on Michigan Avenue across the street from the Apartment Property, and the other portion is located on Wabash Avenue across the street from the Apartment Property. The Private Parking Property is located on Wabash Avenue adjacent to the City Parking Property located on Wabash Avenue. As indicated on Exhibit B-3 hereto, the Owner has previously acquired a portion of the Private Parking Property (the "Previously-Acquired Private Parking Property," as indicated on Exhibit B-3(a), 4650 South Wabash Avenue and 4652 South Wabash Avenue); the Developer has not yet acquired the remainder of the Private Parking Property (the "Private Parking Property To Be Acquired," as indicated on Exhibit B-3(b), 4602 South Wabash Avenue). After the Owner purchases the City Parking Property and the Private Parking Property, the Developer, within the time frames set forth in Section 3.01 hereof, shall commence and complete rehabilitation of a mixed-use building on the Apartment Property, including approximately 239 rental residential units therein and an area to be utilized as a community service facility and general commercial and retail space, and construction of parking facilities on the Parking Property (together, the "Facility"). The Facility and related improvements

(including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The Project shall consist of two phases: first, façade restoration, interior demolition, environmental remediation, and site work ("Phase I"); and second, build-out of the units, the community service facility and the "white box" of the commercial and retail space ("Phase II"). The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. The Owner has concurrently leased all or a portion of the Facility to Rosenwald Courts Master Tenant, LP, an Illinois limited partnership (the "Master Tenant"), pursuant to a written lease (the "Master Lease") between the Owner and the Master Tenant. The Owner has provided the City with a certified copy of the Master Lease.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Redevelopment Plan.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) [intentionally omitted], (ii) the proceeds of the TIF Note (defined below) and/or (iii) Incremental Taxes (as defined below), to pay for or reimburse the Sponsor for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the TIF Note.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(d) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any TIF Note provided to the Sponsor pursuant to this Agreement), to make payments of principal on the TIF Note, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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.

"47th and King Drive TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

"Actual residents of the City" shall mean persons domiciled within the City.

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

"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 RDA 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 RDA, 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) [intentionally omitted]; (2) [intentionally omitted]; (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) [Intentionally omitted]; (7) [intentionally omitted]; and (8) compliance with all other executory provisions of the RDA.

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

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Borrower Loan Agreement" shall mean that certain Borrower Loan Agreement dated as of the Closing Date between the City and the Owner.

"Building Court Case" shall mean Circuit Court of Cook County case no. 2010 M1 400696 or any successor or substitute legal action filed by the City to ensure that the Apartment Property is in compliance with all City ordinances relating to building standards. If a consent decree or similar agreement is approved or entered in the Building Court Case then the Building Court Case shall thereafter mean such consent decree and the terms thereof.

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

"CHA" shall mean the Chicago Housing Authority.

"CHA Loan" shall mean Lender Financing in the amount of \$17,370,000 from the Chicago Housing Authority.

"CHA Loan Closing" shall mean the closing of the CHA Loan as evidenced by the recording of a mortgage against the Property from the Owner to the CHA, at which time it is anticipated that this Agreement may be amended.

"CHA Loan Closing Date" shall mean the date of the CHA Loan Closing.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"Citibank" shall mean Citibank, N.A. (or an affiliate thereof), a provider of Lender Financing.

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

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

"City Funds" shall mean the funds paid to the Developer pursuant to the TIF Note.

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

"City Title Commitments" shall have the meaning set forth in Section 3.13(c) hereof.

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

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean, collectively, that (i) certain contract to be entered into between the Developer and Tishman Burling Rosenwald Joint Venture providing for Phase I, and (ii) certain contract to be entered into between the Developer and The George Sollitt Construction Company / Powers and Sons Construction Company, Inc. / Brown & Momen, Inc. Joint Venture providing for Phase II.

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

"Deed" shall have the meaning set forth in Section 3.13(b) hereof.

"Developer Parties" shall have the meaning set forth in Section 3.13(g) hereof.

"Draft NFR Letter for the Apartment Property" shall mean a draft comprehensive NFR Letter from the IEPA for the Apartment Property based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

"Draft NFR Letter for the Parking Property" shall mean a draft NFR Letter from the IEPA for applicable portions of the Parking Property (as determined pursuant to Section 11.02 hereof) based on commercial remediation objectives, as amended or supplemented from time to time; provided, however, any landscaped areas shall meet TACO Tier I residential remediation objectives.

"DTC Regulatory Agreement" shall mean that certain Donations Tax Credit Regulatory Agreement, anticipated to be executed by the City, the Owner and the Sponsor not later than the CHA Loan Closing Date and to be recorded in the office of the Cook County Recorder of Deeds.

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

"Environmental Documents" shall have the meaning set forth in Section 11.01 hereof.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws (including common law), regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to the regulation and protection of human health, safety, the environment and

natural resources now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 5101 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), (x) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); (xi) any and all regulations promulgated under the foregoing acts, and all analogous state and local counterparts or equivalents, including, without limitation, regulations in the Municipal Code of Chicago; and (xii) 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 Developer (other than funds derived from Lender Financing) available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b) (Sources of City Funds). Equity shall be irrevocably available for the Project upon CHA Loan Closing.

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s).

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

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

"Final NFR Letter for the Apartment Property" shall mean a final comprehensive NFR Letter from the IEPA approving the use of the Apartment Property for the construction, development and operation of the Project, as amended or supplemented from time to time. The Final NFR Letter shall state that the Apartment Property meets TACO Tier I remediation objectives for residential properties as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Final NFR Letter for the Parking Property" shall mean a final NFR Letter from the IEPA approving the use of applicable portions of the Parking Property (as determined pursuant to Section 11.02 hereof) for the construction, development and operation of parking facilities, as amended or supplemented from time to time. The Final NFR Letter shall state that the Parking Property meets commercial remediation objectives as set forth in 35 Ill. Adm. Code Part 742; provided, however, any landscaped areas shall meet TACO Tier I residential remediation objectives.

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

"General Contractor" shall mean, collectively, the general contractors hired by the Developer pursuant to Section 6.01. The General Contractor for Phase I shall be Tishman Burling Rosenwald Joint Venture and the General Contractor for Phase II shall be The George Sollitt Construction Company / Powers and Sons Construction Company, Inc. / Brown & Momen, Inc. Joint Venture.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental 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.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"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 47th & King Drive TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Limited Partner" shall mean USA Rosenwald Courts LLC, a Delaware limited liability company.

"Losses," as used in Section 3.13(g) hereof, 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).

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

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

"Master Tenant Limited Partner" shall mean USA HTC Rosenwald, LLC, a Delaware limited liability company, the limited partner of the Master Tenant.

"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 Program" shall have the meaning set forth in Section 10.03 hereof.

"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.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

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

"NSP Loan" shall mean a loan from the City to the Owner in the principal amount of \$5,000,000 for the acquisition of the building located at 4600 South Michigan Avenue, Chicago, Illinois 60615.

"NSP Redevelopment Agreement" shall mean that certain redevelopment agreement dated as of January 28, 2013 and recorded in the office of the Cook County Recorder of Deeds on January 29, 2013 as Document No. 1302931068, as amended on the Closing Date, pursuant to which the City made a loan to the Owner in the principal amount of \$5,000,000 for the acquisition of the building located at 4600 South Michigan Avenue, Chicago, Illinois 60615, as amended on the Closing Date and as may be further amended thereafter.

"NSP Regulatory Agreement" shall mean that certain regulatory agreement, dated as of the January 28, 2013, executed by the City and the Owner and recorded in the office of the Cook County Recorder of Deeds on January 29, 2013 as Document No. 1302931067, as amended on the Closing Date and as may be further amended thereafter.

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

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

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project, as may be revised hereafter.

"Previously-Acquired Private Parking Property" shall have the meaning set forth in Recital D hereof.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

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

"Private Parking Property To Be Acquired" shall have the meaning set forth in Recital D hereof.

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

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, furnished by the Developer to HED, in accordance with Section 3.03 hereof.

"Property" shall mean the Apartment Property (as described on Exhibit B-1), the City Parking Property (as described on Exhibit B-2) and the Previously-Acquired Private Parking Property (as Described on Exhibit B-3(a)). Upon acquisition of the Private Parking Property to Be Acquired (as described on Exhibit B-3(b)), this Agreement shall be amended so that the Property shall include the Private Parking Property to Be Acquired.

"Purchase Price" shall have the meaning set forth in Section 3.13(a) hereof.

"RECs" shall have the meaning set forth in Section 11.01 hereof.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

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

"Released Claims" shall have the meaning set forth in Section 3.13(g) hereof.

"Remediation Costs" shall mean governmental or regulatory body response costs, natural resource damages, property damages, and the costs of 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.

"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 Apartment Property and applicable portions of the Parking Property (as determined pursuant to Section 11.02 hereof) in accordance with the terms and conditions of the Draft NFR Letter for the Apartment Property (and the Parking Property to the extent required under Section 11.02(b) hereof), the SRP Documents, all requirements of the IEPA and all applicable federal, state and local laws, ordinances and regulations, including, without limitation, all applicable Environmental Laws.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit L, to be delivered by the Developer to HED pursuant to Section 4.04 of this Agreement.

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

"SRP" shall mean 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" shall mean all documents submitted to the IEPA under the SRP Program, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, and the Remedial Action Completion Report.

"Survey" shall mean one or more Class A plat of survey(s) of the Property in the most recently revised form of ALTA/ACSM survey 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 Facility and related improvements as required by the City or lender(s) providing Lender Financing).

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2026).

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bonds" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Proceeds" shall have the meaning set forth in the Recitals hereof.

"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. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"TIF Note" shall mean a note, to be in the form attached hereto as Exhibit M, in the maximum principal amount of \$25,000,000, issued by the City to the Sponsor on the Closing Date. The TIF Note shall not bear interest.

"Title Company" shall mean Near North National Title LLC, as agent for Chicago Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer 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)" shall mean underground storage tank(s) whether or not subject to Title 16 of the Illinois Environmental Protection Act, including without limitation (i) any underground storage tank as defined in 415 ILCS 5/57.2, (ii) any farm or residential tank of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes, (iii) any tank used for storing heating oil for consumption on the premises where stored, (iv) any septic tank, (v) any tank that is excluded from the definition in 415 ILCS 5/57.2 based upon the existence of any Hazardous Substance therein, and (vi) any pipes connected to items (i) through (v) above.

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence rehabilitation/construction no later than 240 days after the Closing Date (the "Commencement Date"); and (ii) complete rehabilitation/construction and conduct residential rental business operations therein no later than 36 months following the Commencement Date, as such date may be extended pursuant to Section 15.04 and/or Section 18.17 (the "Completion Date," which the Commissioner of HED may also extend in his or her discretion to accommodate a foreclosure or deed in lieu of foreclosure process under Section 16).

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to HED 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 3.04 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 Department of Buildings, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in an approximate amount not less than \$110,168,276. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to HED certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes

to the Project must be submitted by the Developer to HED for HED's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of 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. If the Developer authorizes or permits the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of HED's written approval the Developer must promptly notify HED of any such Change Orders in writing; if HED does not ratify such Change Order then the cost of such Change Order may not be paid for out of any contingency or similar use or line item in the Project Budget.

3.05 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.

3.06 Other Approvals. Any HED approval under this 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 and proof of the General Contractor's and each subcontractor's bonding as required hereunder; provided, however, the Developer may perform demolition work prior to the issuance of a Draft NFR Letter with 2FM's prior written approval, which approval may be subject to conditions.

3.07 Progress Reports and Survey Updates. The Developer shall provide HED with written monthly progress reports detailing the status of the Project, including a revised Completion Date, if necessary (with any change in Completion Date being considered a Change Order, requiring HED's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to HED upon the request of HED or any lender providing Lender Financing, reflecting improvements made to the Property after the Completion Date.

3.08 Inspecting Agent or Architect. The developer's architect shall be act as the City's 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 hereunder.

3.09 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.

3.10 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.

3.11 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.

3.12 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 of Chicago and are of general applicability to other property within the City of Chicago.

3.13 Conveyance of the City Parking Property. The following provisions shall govern the City's conveyance of the City Parking Property to the Owner:

(a) Purchase Price. The City hereby agrees to sell, and the Owner hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the City Parking Property, for One Dollar (\$1.00) per parcel (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. The Owner shall pay all escrow fees and other title insurance fees, premiums and closing costs. The Owner acknowledges and agrees that (i) the appraised fair market value of the City Parking Property is approximately \$155,000 based on an appraisal dated October 21, 2011, and (ii) the City has only agreed to sell the City Parking Property to the Owner for the Purchase Price because the Owner has agreed to execute this Agreement and comply with its terms and conditions.

(b) Form of Deed. The City shall convey the City Parking Property to the Owner 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 the Owner, its Affiliates and their agents.

(c) Title and Survey. The Developer acknowledges that it has received commitments for an owner's policy of title insurance for the City Parking Property, issued August 12, 2013 and October 17, 2013 (Commitment Nos. N01131119, N01131120 and N0112117) by Near North National Title LLC, as issuing agent for Chicago Title Insurance Company (the "City Title Commitments"), showing the City in title to the City Parking Property. The Developer shall be solely

responsible for and shall pay all costs associated with updating the City Title Commitments (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 City Parking 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 City Parking Property remains subject to any tax liens, or if the City Parking Property is encumbered with any other exceptions that would adversely affect the use and insurability of the City Parking Property for the development of the Project, the Owner shall have the option to do one of the following: (i) accept title to the City Parking Property subject to the exceptions; or (ii) with the Sponsor as the Developer, terminate this Agreement. If the Developer elects not to terminate this Agreement as aforesaid, the Owner agrees to accept title subject to all exceptions.

(d) The Land Closing. The conveyance of the City Parking 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 the Developer has 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. The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the City Parking Property to the Owner.

(f) "AS IS" SALE. THE OWNER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE CITY PARKING PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE CITY PARKING PROPERTY. THE OWNER AGREES TO ACCEPT THE CITY PARKING 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 CITY PARKING PROPERTY OR THE SUITABILITY OF THE CITY PARKING PROPERTY FOR ANY PURPOSE WHATSOEVER. THE OWNER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS 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. THE DEVELOPER AGREES THAT IT IS ITS SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE CITY PARKING PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

(g) Release and Indemnification. The Developer, on behalf of itself and its 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 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 Date, based upon, arising out of or in any way connected with, directly or indirectly (i) any environmental contamination, pollution or hazards associated with the City Parking 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 Materials, or threatened release, emission or discharge of Hazardous Materials; (ii) the structural, physical or environmental condition of the City Parking Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the City Parking Property or the migration of Hazardous Materials from or to other City Parking Property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the City Parking Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"); provided, however, the foregoing release shall not apply to the extent such Losses are proximately caused by the gross negligence or willful misconduct of the City following the Closing Date. Furthermore, 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, except as provided in the immediately preceding sentence for the City's gross negligence or willful misconduct following the Closing Date.

(h) Release Runs with the Land. The covenant of release in Section 3.13(g) above shall run with the City Parking Property, and shall be binding upon all successors and assigns of the Owner with respect to the City Parking 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 City Parking Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees 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 City Parking Property to the Owner. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of 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 City Parking Property, neither 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 3.13(g) contains a full, complete and final release of all such claims, except as provided in such section for the City's gross negligence or willful misconduct following the Closing Date.

(i) Survival. This Section 3.13 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$110,168,276, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	\$ 47,380,543
Lender Financing*	\$ 37,787,733
City Funds	\$ 25,000,000
ESTIMATED TOTAL	\$110,168,276

*including the NSP Loan, the CHA Loan, seller financing, various grants, etc.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), 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. 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 issue the TIF Note to the Sponsor on the Closing Date. The principal amount of the TIF Note shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Sponsor and are to be reimbursed by the City through payments of principal on the TIF Note, subject to the provisions hereof; provided, however, that the maximum principal amount of the TIF Note shall be an amount not to exceed \$25,000,000; and provided, however, that payments under the TIF Note are subject to the amount of Incremental Taxes deposited into the 47th and King Drive TIF Fund being sufficient for such payments, including but not limited to after the City makes required payments on the following prior obligations of the 47th and King Drive TIF Fund:

OBLIGATION	NOT TO EXCEED AMOUNT
Bronzeville Artist Lofts	\$1,085,807
Diaspora Cuisine	\$3,000,000
Educare Family Center	\$ 400,000
Chicago Public Schools—Mollison ADA Renovations	\$ 750,000
Assorted Lighting, Street Infrastructure and Landscaping	\$3,533,250
Small Business Improvement Fund (SBIF)	\$ 835,839
Neighborhood Improvement Fund (NIF)	\$ 800,000
Business retention and recruitment activities	\$ 20,041

Subject to the foregoing, the City shall make principal payments on the TIF Note to the Sponsor in the amounts of \$6,000,000, \$14,000,000 and \$5,000,000 upon 10%, 75% and 100% completion of construction of the Project, respectively, as such percentage of completion is certified to the City in writing by Citibank's inspecting architect (or comparable consultant) based on the amount of expenditures incurred in relation to the Project construction budget attached hereto as Exhibit H-2 (a subset of the Project Budget) prior to and as a condition precedent of such payments; provided, however, that the \$5,000,000 principal payment to be made at 100% completion shall not be made until the Certificate is issued pursuant to Section 7.01 hereof.

(c) Notwithstanding any provision contained herein or in any agreement related hereto to the contrary, any obligations, pledges or commitments of Incremental Taxes in the 47th and King Drive TIF Fund approved by the City Council or otherwise executed or entered into by the City subsequent to October 16, 2013 (being the date on which the City Council approved the ordinance authorizing the execution of this Agreement and the issuance of the TIF Note) shall be junior and subject to the City's obligation and commitment under this Agreement and the TIF Note.

(d) [intentionally omitted]

4.04 Construction Escrow; Requisition Form. (a) The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

(b) Until the Sponsor has been reimbursed in full under this Agreement, the Sponsor shall provide HED with Requisition Forms, along with the documentation described therein. Requisition for certification of the cost TIF-Funded Improvements to the TIF Note shall be made not more than two times per calendar year (or as otherwise permitted by HED). On each December 1 (or such other date as may be acceptable to the parties), beginning in 201_ and continuing throughout the Term of the Agreement, the Developer shall meet with HED at the request of HED to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). HED shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by HED as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) [intentionally omitted]

(c) [intentionally omitted]

(d) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of HED, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$100,000 or \$500,000 in the aggregate, may be made without the prior written consent of HED.

(e) [intentionally omitted]

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Execution of Certificate of Expenditure. Prior to each execution of a Certificate of Expenditure by the City, the Developer shall submit a Requisition Form and documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its sole discretion. Delivery by the Developer to HED of any request for execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for execution of a Certificate of Expenditure, that:

(a) the total amount of the request for Certificate of Expenditure represents the actual amount paid to the applicable General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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

(c) the Developer has approved all work and materials for the current request for Certificate of Expenditure, and such work and materials conform to the Plans and Specifications;

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

(e) the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens and those liens or claims of lien which have been bonded or insured over to the City's satisfaction;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

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 City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

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 3.03 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 3.02 hereof.

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, City (except as otherwise approved by the City) or other local statute, ordinance or regulation and has submitted evidence thereof to HED.

5.04 Financing. Subject to Section 18.26 hereof, the Developer has furnished proof reasonably acceptable to the City that the Developer 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 Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. The Developer has delivered to HED a copy of the construction escrow agreement entered into by the Developer regarding the Lender Financing. Except as otherwise approved by the City, 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 Owner as the named insured. 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 the Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to HED, on or prior to the Closing Date, documentation related to the purchase of the Property and copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Owner's name and the Sponsor's name 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 Owner, at its own expense, has insured the Property in accordance with Section 12(a) hereof, and has delivered certificates required pursuant to Section 12(a) and (d) 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 J, 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 4.05(a) hereof.

5.11 Financial Statements. The Developer has provided Financial Statements to HED for the Owner's and the Sponsor's most recent fiscal years, and available audited or unaudited interim financial statements.

5.12 Documentation; Employment Plan. The Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of HED to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to HED, and HED has approved, the Employment Plan for the Project (the "Employment Plan"). The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as HED has requested relating to the Project.

5.13 Environmental. The Developer has provided HED with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Organizational Documents; Economic Disclosure Statement. The Developer has provided a copy of the Owner's, the General Partner's, the Managing Member's, the Sponsor's and

the Foundation's: Articles or Certificate of Incorporation, Organization and/or Limited Partnership containing a certified copy of the original certification of the Secretary of State of the state of incorporation or organization; certificates of good standing from the Secretary of State of state of incorporation or organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws, operating agreement and/or partnership agreement; and such other corporate documentation as the City has requested. The Developer 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 [intentionally omitted]

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, 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 the commencement of any portion of the Project, 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 P 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 3.04 (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 10.04 (Multi-Project Labor Agreement), 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 rehabilitation and construction of the Project in accordance with the terms of this Agreement (including Section 10 hereof), and upon the Developer's written request (which shall include evidence, reasonably satisfactory to the Corporation Counsel, of compliance with orders issued in

the Building Court Case), HED shall 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. HED shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures. Notwithstanding any of the foregoing, HED shall not issue the Certificate until HED is satisfied that the Developer's Part Three application has been approved by the Illinois Historic Preservation Agency; in the event the Developer's Part Three application has not been approved by the Illinois Historic Preservation Agency and lack of such approval is (A) the only matter preventing issuance of the Certificate, and (B) will not result in a reduction of the funds available to complete the Project, then HED may consider extending the date for approval of the Developer's Part Three application. HED may also, in its discretion, condition the issuance of the Certificate upon the Developer's consent to the landmark designation of the Facility.

7.02 Effect of Issuance of Certificate: Continuing Obligations. The Certificate relates only to the rehabilitation 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 and 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 upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. 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 Sections 15.04, 16 and/or 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. Subject to Section 15.04 with respect to Citibank and Limited Partner cure rights and Section 18.17 with respect to delays caused by Force Majeure, 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;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, 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;

(c) the right to seek reimbursement of the City Funds from the Developer; and

(d) the right to re-enter and take possession of the City Parking Property, terminate the estate conveyed to the Owner, and re-vest title to the City Parking Property in the City; provided, however, the City's foregoing right of reverter shall be subordinate to the payment in full of Citibank's mortgage on the Project.

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; provided, however, that the City may at such time require the Developer to enter into a separate agreement to implement the provisions of Section 8.20 hereof (as contemplated in Section 8.20(f)).

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

8.01 General. The Developer 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 Developer is duly organized, validly existing, qualified to do business in its state of incorporation or organization and 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) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate or other action, and does not and will not violate its Articles of Incorporation or Articles of Organization or by-laws, partnership agreement or operating agreement as amended and supplemented, 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 is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Owner 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, liens and claims of lien which the City agrees may be bonded or insured over pursuant to Section 4.07(e) hereof, 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);

(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) except as otherwise disclosed to the City by the Developer in writing to the satisfaction of the City, 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 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 operate the Project;

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

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, 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 a Certificate, the Developer shall not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business and as otherwise provided in the Master Lease; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and liens and claims of lien which the City agrees may be bonded or insured over pursuant to Section 4.07(e) hereof; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

(l) the Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City;

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

whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) the Developer will not withhold consent to landmark designation of the Facility in the future if requested by the City. The Foregoing covenant shall survive the issuance of the Certificate of Completion.

8.02 Covenant to Redevelop. Upon HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, including, without limitation, a Draft NFR Letter under Section 11.02 below (provided, however, the Developer may perform demolition work prior to the issuance of a Draft NFR Letter with 2FM's prior written approval, which approval may be subject to conditions), 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, the Draft NFR Letter and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer, including, without limitation, all Environmental Laws. 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 Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 TIF 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 Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "TIF Bonds"); 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 TIF Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 [intentionally omitted]

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02, 10.03 and 10.04 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, 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. 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. This Section 8.09 shall be inapplicable if and to the extent the federal Davis-Bacon Act applies to the Project.

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 Owner and the Sponsor shall each obtain and provide to HED Financial Statements for their respective fiscal years ending December 31, 2013 and each December 31st thereafter by April 1st of the following year for the Term of the Agreement. In addition, the Owner and the Sponsor shall each submit their respective 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 and liens and claims of lien which the City agrees may be bonded or insured over pursuant to Section 4.07(e) hereof, 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. 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, or appear to 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,

(i) 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

(ii) 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) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; (B) Exhibit K sets forth the specific improvements which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

(ii) Real Estate Tax Exemption. Except as otherwise provided in Section 8.19(c)(v) below, 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.

(iii) 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 or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year; provided, however, (1) the Developer is permitted to apply for a Class 9 designation from Cook County even if such designation with respect to the Property would result in a Minimum Assessed Value below than shown in Exhibit K, and (2) the Property may be subject to 35 ILCS 200/10-235.

(iv) 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 up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) 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, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to

the contrary: (1) the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c); and (2) the Developer may pursue any property tax assessment reduction or exemption the Developer is required to so pursue in writing by the Chicago Housing Authority.

(d) Notification to the Cook County Assessor of Change in Use and Ownership. Prior to the Closing Date, the Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. On the Closing Date, the Developer shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, the Developer shall forward a copy of the return receipt to HED, with a copy to the City's Corporation Counsel's office.

8.20 Affordable Housing Covenant. The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of (1) the NSP Regulatory Agreement, (2) that certain Land Use Restriction Agreement executed by the Owner and the City as of the date hereof, (3) that certain Low-Income Housing Tax Credit Regulatory Agreement executed by the Owner and the City as of the date hereof, and (4) the DTC Regulatory Agreement (and any subsequent amendments to any of the foregoing agreements) shall all govern the terms of the Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the thirtieth anniversary of the issuance of a certificate of occupancy for the Project by the City (as required by Section 2-45-110(f) of the Municipal Code), the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) Except for the community service facility and the commercial and retail space located in the parcel described in Exhibit B hereof, the Facility shall be operated and maintained solely as residential rental housing;

(b) Twenty percent of the units in the Facility shall be available for occupancy to and be occupied solely by one or more persons qualifying as Low Income Families (as defined below) upon initial occupancy; and

(c) (i) All of the Low Income Units in the Facility shall have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income. (ii) Notwithstanding the foregoing, with respect to any Project Based Voucher/Section 8 units, the portion of rents payable monthly by Low Income Families for Low Income Units in the Facility shall not exceed thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly tenant portion of rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.20, the following terms have the following meanings:

(i) "Family" shall mean one or more individuals, whether or not related by blood or marriage;

(ii) "Low Income Families" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition; and

(iii) "Low Income Units" shall mean residential units reserved for Low Income Families pursuant hereto.

(e) The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee. Such covenants shall be in addition to the covenants and restrictions set forth in the Chicago Housing Authority Regulatory and Operating Agreement with respect to public housing units in the Project in connection with the CHA Loan.

(f) The City and the Developer may enter into a separate agreement to implement the provisions of this Section 8.20, including upon expiration of the Term of this Agreement.

8.21 [intentionally omitted]

8.22 [intentionally omitted]

8.23 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 7.02 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement or longer as indicated with respect to Section 8.20 hereof.

8.24 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.25 Delegation of Obligations to Tenant. If the Developer delegates the performance any of its obligations hereunder to the Master Tenant pursuant to the Master Lease such delegation shall not relieve the Developer of such obligations.

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 rehabilitation/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 shall comply with Section 19.2 of the NSP Redevelopment Agreement (wherein the Owner is known as the "Borrower"), which is hereby incorporated herein, regardless of whether the NSP Redevelopment Agreement is in effect. Although the Sponsor is not a party to the NSP Redevelopment Agreement the Sponsor hereby confirms the foregoing obligation.

10.03 MBE/WBE Commitment. The Developer shall comply with Section 19.3 of the NSP Redevelopment Agreement (wherein the Owner is known as the "Borrower"), which is hereby incorporated herein, regardless of whether the NSP Redevelopment Agreement is in effect. Although the Sponsor is not a party to the NSP Redevelopment Agreement the Sponsor hereby confirms the foregoing obligation.

10.04 Project Labor Agreement. The Developer shall cause the General Contractor to comply with that certain Settlement Agreement dated November 3, 2011, by and among the City, Chicago Regional Council of Carpenters, the Metropolitan Pier and Exposition Authority, the Public Building Commission of the City of Chicago, and the State of Illinois, because the Project budget is in excess of \$25,000,000, and, therefore, is subject to the provisions of that certain City of Chicago Multi-Project Labor Agreement (the "MPLA") dated February 9, 2011, by and among the City and the labor organizations comprising the Chicago & Cook County Building & Construction Trades Council. The Developer shall cause the General Contractor to comply with the MPLA to the fullest extent legally permissible without violating other requirements applicable to the construction of the Project, including, without limitation, Sections 8.09, 10.02 and 10.03 hereof. At the direction of HED, affidavits and other supporting documentation shall be required of the Developer, the General Contractor and the subcontractors to verify or clarify compliance with the MPLA.

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Phase I and II Assessments. The Developer hereby represents and warrants to the City that the Developer has performed one or more Phase I environmental site assessments of the Property and follow-up Phase II testing 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. The Developer further represents and warrants that it has delivered to the City true and complete copies of all reports, surveys, field data, correspondence and analytical results prepared by or for the Developer (or otherwise obtained by the Developer) regarding the condition of the Property, including, without limitation, the SRP Documents (collectively, "Environmental Documents".) A list of all Environmental Documents delivered to the City as of the date hereof is attached hereto as Exhibit Q.

11.02 Environmental Remediation.

(a) The Developer acknowledges and agrees that (i) the Environmental Documents identify several recognized environmental conditions ("RECs") on the Apartment Property, including

the presence of underground storage tanks, asbestos containing material and lead-based paint, and (ii) 2FM's environmental compliance certification for the Project, attached hereto as Exhibit R, is conditioned upon the Developer taking certain actions to address the environmental and historical conditions present at the Property. In accordance with 2FM's certification, the Developer covenants and agrees to enroll the Apartment Property in the SRP and take all necessary and proper steps to obtain a Draft NFR Letter for the Apartment Property. The Developer acknowledges and agrees that it may not commence construction on the Apartment Property, and that the City will not make any payments to the Developer of City Funds, until the IEPA issues, and 2FM approves, a Draft NFR Letter for the Apartment Property; provided, however, the Developer may perform demolition work with 2FM's prior written approval, which approval may be subject to conditions.

(b) The Developer acknowledges and agrees that it has started but not completed its environmental investigation of the Parking Property. To the extent not delivered to and approved by 2FM prior to the date hereof, the Developer agrees to perform a Phase I environmental site assessment of all parcels comprising the Parking Property in accordance with the requirements of the ASTM E1527-05 standard. 2FM shall have the right to review and approve the sufficiency of such Phase I report(s) and any other reports prepared for the Parking Property. 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 parking facilities on the Parking Property, including, without limitation, updating or expanding the Phase I report(s) and performing initial or additional Phase II testing. If the environmental reports for the Parking Property disclose the presence of contaminants exceeding commercial remediation objectives for areas to be paved or residential remediation objectives for areas to be landscaped, the Developer shall enroll the Parking Property (or the applicable portion thereof) in the IEPA's SRP Program and take all necessary and proper steps to obtain a Draft NFR Letter for the Parking Property. Unless 2FM determines that it is not necessary to enroll the Parking Property in the SRP, the Developer acknowledges and agrees that it may not commence construction on the Parking Property, and that the City will not make any payments to the Developer of City Funds, until the IEPA issues, and 2FM approves, a Draft NFR Letter for the Parking Property.

(c) After 2FM approves the Draft NFR Letter for the Apartment Property (and the Parking Property to the extent required under Section 11.02(b) above), the Developer covenants and agrees to complete the Remediation Work and diligently pursue the Final NFR Letter for the Apartment Property (and the Parking Property to the extent required under Section 11.02(b) above) using all reasonable means. The City shall have the right to review in advance and approve all SRP Documents and any changes thereto, 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. The Developer shall bear sole responsibility for all aspects of the Remediation Work and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Remediation Work. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received after the date hereof, including, without limitation, any 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 Apartment Property (and the Parking Property to the extent required under Section 11.02(b) above), which approval shall not be unreasonably withheld.

SECTION 12. INSURANCE

The Owner must provide and maintain, at Owner's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease. With respect to the foregoing, the Developer hereby represents, warrants and certifies to the City that as of the Closing Date the Developer has no employees and is therefore not subject to the Illinois Workers' Compensation Act.

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

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

(b) Construction. Prior to the construction of any portion of the Project, Owner will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of 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 (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Owner undertakes any construction, including improvements, betterments, and/or repairs, the Owner must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(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 must be maintained with limits of not less than \$ 1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Owner must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage

must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

The Owner must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Owner must submit evidence of insurance pursuant to Section 12(a) prior to the Closing Date. 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 Owner is not a waiver by the City of any requirements for the Owner to obtain and maintain the specified coverages. The Owner shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Owner of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Owner and Contractors.

The Owner hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

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

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Owner under the Agreement.

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

If Owner is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Owner must require Contractor and subcontractors to provide the insurance required herein, or Owner may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Owner unless otherwise specified in this Agreement.

If Owner, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. The Developer shall comply with and be bound by Section 5.15 of the Borrower Loan Agreement (wherein the Owner is known as the "Borrower"), which is hereby incorporated herein, regardless of whether the Borrower Loan Agreement is in effect. Although the Sponsor is not a party to the Borrower Loan Agreement the Sponsor hereby confirms the foregoing obligation.

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 declaration of an event of default by a person or entity other than the City based upon 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 such person or entity, which is not cured after the expiration of all applicable notice and cure periods, if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

(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, 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 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); or

(k) prior to the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer (other than a transfer, pursuant to the Owner's limited partnership agreement, of some or all of the limited partnership interest in the Owner from the Limited Partner of the Owner to an affiliate(s) thereof, so long as such transferee is bound by the terms of the Owner's limited partnership agreement, including but not limited to any obligations to contribute Equity) without the prior written consent of the City.

For purposes of Section 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of 10% of the Developer's membership or partnership interests.

Until such time as all principal payments on the TIF Note are made, but not more often than once per calendar quarter, Citibank may request in writing that the City state in writing for the benefit of Citibank whether the City knows of any defaults hereunder by the Owner, General Partner and/or Managing Member and the nature of such defaults, if any; the City shall use good faith efforts to reply to such requests within 45 days.

15.02 Remedies. Subject to Section 15.04, upon the occurrence of an Event of Default, which is not cured after the expiration of all applicable notice and cure periods, the City may terminate this Agreement and any other agreements to which the City and the Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid and the value of the City Parking Property write-down, and/or seek reimbursement of any City Funds paid. Any Incremental Taxes that would have been used to make payments hereunder during any such notice and cure period shall, however, be reserved by the City pending the possible cure of such default. If such default is cured, any reserved payments of Incremental Taxes shall be released by the City and used to make payments as contemplated hereunder. 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 damages, 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 thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, 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 thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

Upon the expiration of the cure periods specified in this Section 15.03, without the default being cured, then the cure periods specified under Section 15.04 shall apply.

15.04 Right to Cure by the Limited Partner and/or Citibank. If a default occurs under this Agreement and 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 or reimbursement of City Funds disbursed hereunder, or any other remedy under this Agreement, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Limited Partner and Citibank, and the Limited Partner (including, without limitation, by exercise of management take over rights of the Owner under its partnership agreement) and Citibank shall have the right (but not the obligation) to cure such Event of Default as follows:

(a) If a monetary default exists, the Limited Partner may cause to be cured such monetary default within 90 days after the later of (and Citibank, except as provided in Section 15.04(h) below, and the City shall take no action during such 90 day period): (i) the expiration of the cure period, if any, granted under Section 15.03 to Developer with respect to such monetary default; or (ii) receipt by the Limited Partner and Citibank of notice of default from the City. If the Limited Partner does not cause such monetary default to be cured within such 90-day time period set forth in the preceding sentence, then Citibank may cure such monetary default in the manner set forth in Section 15.04(c); and

(b) if a non-monetary default exists (except for a Personal Developer Default, as later defined), the Limited Partner may cause to be cured such non-monetary default within 90 days after the later of (and Citibank, except as provided in Section 15.04(h) below, and the City shall take no action during such 90 day period): (i) the expiration of the cure period, if any, granted under Section 15.03 to Developer with respect to such non-monetary default; or (ii) receipt by the Limited Partner and Citibank of notice of default from the City. If the Limited Partner does not cause such non-monetary default to be cured within such 90-day time period set forth in the preceding sentence, then Citibank may cure such monetary default in the manner set forth in Section 15.04(d); and

(c) if a monetary default exists, Citibank may cure such monetary default within 60 days after the later of (and the non-electing party and the City shall take no action during such 60-day period): (i) the expiration of the Limited Partner's 90-day cure period; or (ii) receipt by Citibank of notice from the City that the Limited Partner has failed to cure the default within the timeframe set forth in Section 15.04(a) above; and

(d) if a non-monetary default exists (except for a Personal Developer Default), Citibank may cure such non-monetary default within 90 days after the later of (and the non-electing party and the City shall take no action during such 90-day period): (i) the expiration of the Limited Partner's 90-day cure period; or (ii) receipt by Citibank of notice from the City that the Limited Partner has failed to cure the default within the timeframe set forth in Section 15.04(b) above; provided, however, if such non-monetary default is of a nature that is not subject to cure in 90 days, the cure period will be extended for the time period needed to cure such default (including any time period required by Citibank to take control of the Project by initiating foreclosure of its mortgage and/or appointing a receiver) and the City shall forbear from exercising its remedies hereunder so long as diligent and continuous efforts are being pursued to cure such default; and

(e)(1) If such non-monetary default would be an Event of Default set forth in Section 15.01(e), (f), (g), (i) or (j) hereof (each such default being a "Personal Developer Default"), the Limited Partner or Citibank (as applicable and in that strict order as more fully provided in this Section 15.04(e) below and not otherwise, the "Electing Party"), shall provide written notice (the "Assumption Notice") to the City and the Limited Partner or Citibank (as applicable, the "Non-Electing Parties") within 30 days of receipt of notice from the City of such Personal Developer Default, as more fully provided in Section 15.04(e)(2) below. If notice is delivered within said 30-day

period, the Electing Party shall, in accordance with Section 15.04(e)(2) below, either cure or cause to be cured such Personal Developer Default by the assignment pursuant to Section 18.15 hereof of all of the Owner's rights, obligations and interests in this Agreement to the Electing Party or any other party agreed to in writing by Citibank and the City, which assumption shall be deemed to cure the Personal Developer Default.

(2) Upon receipt by the City and Citibank of an Assumption Notice from the Limited Partner pursuant to subsection (e)(1) above, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of the Owner's rights, obligations and interests in this Agreement (but in no event longer than 90 days without the written consent of the City and Citibank). If the Limited Partner does not (i) provide such Assumption Notice within the 30-day period specified in subsection (e)(1), or (ii) identify to the City and the Non-Electing Parties any other party (which may be an affiliate of the Limited Partner other than the Owner) to assume the Owner's rights, obligations and interests in this Agreement within 30 days from the date of the Assumption Notice, then Citibank shall have 30 days to cure such Personal Developer Default by the assignment, in accordance with the provisions of Section 18.15 hereof, of all of the Owner's rights, obligations and interests in this Agreement to Citibank, or an affiliate thereof, or any other party agreed to in writing by Citibank and the City.

(f) If such Personal Developer Default is not cured by the Limited Partner or Citibank within the timeframes set forth in Section 15.04(e), then the City shall have available all remedies set forth in this Agreement, including those in Sections 15.02.

(g) During all such times as a Personal Developer Default exists and remains uncured after the expiration of all cure periods, no payments of City Funds shall occur until such time as such Personal Developer Default is thereafter cured.

(h) The City agrees that at any time during which an Event of Default has occurred under the Lender Financing Documents, during the period that Citibank is diligently and continuously pursuing actions or remedies under the Lender Financing, with or without the Owner, which are intended to cause substantial completion of the Project, and, as part of such actions or remedies, continues to fund or make advances to pay Project costs, the City shall likewise forbear from exercising its remedies under Section 15.02.

(i) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, the continuation of any cure periods under Section 15.03 and Section 15.04, in the event Citibank initiates a foreclosure proceeding, or the Limited Partner and Citibank provide a joint notice of discontinuance of actions or remedies intending to achieve substantial completion, the City may immediately commence to exercise any and all of the remedies specified in Section 15.02 above.

(j) The Master Tenant Limited Partner shall have the same right to cure as the Limited Partner under this Section 15.04; provided, however, that the City may in its reasonable discretion reject any such cure by the Master Tenant Limited Partner.

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 Owner 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 Owner 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) Subject to Section 16(b) hereof, In the event that a mortgagee or any other party shall succeed to the Owner'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 or an affiliate thereof shall succeed to the Owner'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, or as a result of any transfer to an affiliate of a mortgagee as aforesaid which occurs within twelve (12) months following any such 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 of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, nor shall the City have the right to record a lien against or otherwise enforce any remedies hereunder against the Project, in which case the Developer shall be solely responsible. If the City placed a lien on the Project pursuant to Section 15.02 hereof in connection with an Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, the City shall release such lien upon written request to do so by such succeeding mortgagee. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage or an affiliate thereof 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 7.01 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) telecopy or facsimile; (c) overnight courier, or (d) 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, Illinois 60602
Attention: Commissioner

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

If to the Developer: Rosenwald Courts Apartments, LP
20 Sandstone Court
Le Claire, Iowa 52753-9250
Attention: James N. Bergman

and

Burton Rosenwald GP, LLC
4015H East Lincolnway
Sterling, Illinois 61081
Attention: Tracey L. Manning

With Copies to: DLA Piper LLP (US)
203 North LaSalle Street
Suite 1900
Chicago, Illinois 60601
Attention: Elizabeth Friedgut

and

Peter Quigley, Esq.
53 West Jackson, Suite 601
Chicago, Illinois 60604

and

Citi Community Capital
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Desk Head, Transaction Management Group
Loan/Transaction/File #21904
Facsimile: (212) 723-8642

AND

Citi Community Capital
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Loan/Transaction/File #21904
Facsimile: (805) 557-0924

With a copy to:

Citi Community Capital
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Account Specialist
Loan/Transaction/File #21904
Facsimile: (212) 723-8642

And a copy of any notices
of default sent to:

Citi Community Capital
388 Greenwich Street, 17th Floor
New York, New York 10013
Attention: General Counsel's Office
Loan/Transaction/File #21904
Facsimile: (212) 723-8939

and

USA Rosenwald Courts LLC
c/o The Richman Group Capital Corporation
340 Pemberwick Road
Greenwich, CT 06831
Attention: Joanne D. Flanagan, Esq.

and

Rosenwald Courts Master Tenant, LP
Attn: Rosenwald Courts GP, LLC
20 Sandstone Court
LeClaire, Iowa 52753

and

Rosenwald Courts GP, LLC
Attn: James N. Bergman
20 Sandstone Court
LeClaire, Iowa 52753

and

USA HTC Rosenwald LLC
c/o TRGHT, Inc.
Attn: Joanne D. Flanagan, Esq.
340 Pemberwick Road
Greenwich, Connecticut 06831

and

DR Rosenwald LLC
15828 Clarendon Hills Drive
Granger, Indiana 46530
Attention: David Roos

and

Rosenwald LGG LLC
39 S. LaSalle Street, Suite 808
Chicago, Illinois 60603
Attention: Virginia Pace

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02, 10.03 and 10.04 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than 90 days, except as may otherwise be permitted pursuant to Section 15.04 hereof.

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, such ordinances 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 otherwise provided in Sections 15.04 and 16 hereof, 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. Notwithstanding the foregoing, the Developer may collaterally assign its interest in this Agreement to (a) Citibank as security for the repayment of the Lender Financing provided thereby, and/or (b) the Limited Partner pursuant to the Owner's limited partnership agreement, but the City must review and approve the written form of any such collateral assignment prior to the execution thereof. 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 (Real Estate Provisions) and 8.23 (Survival of Covenants) hereof, for the Term of the Agreement. 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, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if 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 agrees 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 that creates a "Financial Interest" (as defined in Section 2-156-010 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 that creates a "Financial Interest" (as defined in Section 2-156-010 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 that creates a financial interest, 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.

18.23 Prohibition On Certain Contributions - Mayoral Executive Order No. 2011-4. Consistent with the intent of Mayoral Executive Order No. 2011-4, compliance with the substance of which is intended by this Section 18.23, the Developer hereby agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent (collectively, "Controlling Owners"), spouses and domestic partners of such Controlling Owners, (collectively, all the preceding classes of persons and entities are hereinafter referred to as the "Ownership Parties") shall not make a contribution of any amount to the Mayor of the City ("Mayor") or to his political fundraising committee during (i) the bid or other solicitation process for this Agreement or Other Contract, including while this Agreement or any Other Contract is executory, (ii) the term of this Agreement or any Other Contract between the Developer and the City, and/or (iii) any period in which an extension of this Agreement or any Other Contract is being sought or negotiated.

The Developer hereby agrees to require that the General Contractor, any person or entity who directly or indirectly has an ownership or beneficial interest in the General Contractor of more than 7.5 percent, any subcontractor, any person or entity who directly or indirectly has an ownership or beneficial interest in any subcontractor of more than 7.5 percent (collectively, "Interested Parties"), and spouses and domestic partners of such Interested Parties (collectively, all the preceding classes of persons and entities are hereinafter referred to, together with the Ownership

Parties, as the "Identified Parties") shall not make a contribution of any amount to the Mayor or to his political fundraising committee during (i) the bid or other solicitation process for this Agreement or Other Contract, including while this Agreement or any Other Contract is executory, (ii) the term of this Agreement or any Other Contract between the Developer and the City, and/or (iii) any period in which an extension of this Agreement or any Other Contract is being sought or negotiated.

The Developer represents and warrants that as of the later of (i) the Closing Date, or (ii) the date that the City approached the Developer, or the Developer 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.

The Developer agrees that it shall not and it shall require all other Identified Parties to 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.

The Developer agrees that it must not and it shall require all other Identified Parties to not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4. The Developer shall impose the restrictions of this Section 18.23 in the Construction Contract and shall specifically require the General Contractor to impose the restrictions of this Section 18.23 in all subcontracts.

The 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. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

For purposes of this provision:

"Other Contract" means any agreement entered into between the Developer and the City that is (i) formed under the authority of Chapter 2-92 of the Municipal Code of Chicago; (ii) 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.

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

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

18.24 Inspector General and Legislative Inspector General.

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

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

18.25 Developer Adherence to Building Court Case. Notwithstanding anything herein to the contrary, nothing in this Agreement shall allow the Developer to violate the terms of the Building Court Case.

18.26 Closing of CHA Loan and Acquisition of Private Parking Property To Be Acquired. (a) The CHA Loan is not closing concurrently herewith. (b) No City Funds shall be disbursed hereunder prior to: (i) CHA Loan Closing, and (ii) the acquisition of the Private Parking Property To Be Acquired. (c) If (i) CHA Loan Closing does not occur, and (ii) the Private Parking Property To Be Acquired is not acquired, by June 30, 2014, then this Agreement shall terminate, no City Funds shall be disbursed hereunder, and title to the City Parking Property shall revert to the City by means of reconveyance deed(s).

18.27 HUD Declaration of Restrictive Covenants. Notwithstanding any provision contained in this Agreement, the lien created hereby and the rights of the City hereunder, are and will be subordinate to the lien to be created in favor of the United States of America, acting by and through the Secretary of Housing and Urban Development ("HUD"), by that certain Declaration of Restrictive Covenants to be executed by the Owner and Master Tenant in favor of HUD at the time of the closing of a loan in the anticipated amount of \$17,370,000 from the Chicago Housing Authority to the Owner for the Project, and the rights of HUD thereunder, with respect to that portion of the Property therein described.

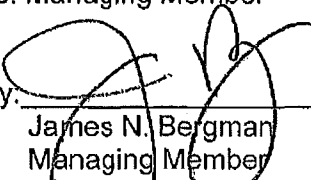
[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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.

ROSENWALD COURTS APARTMENTS, LP,
an Illinois limited partnership

By: Rosenwald Courts GP, LLC,
an Illinois limited liability company
Its: General Partner

By: GB Rosenwald, LLC,
an Illinois limited liability company
Its: Managing Member

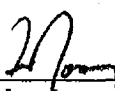
By: 
James N. Bergman
Managing Member

BURTON ROSENWALD GP, LLC,
an Illinois limited liability company

By: The Burton Foundation,
an Illinois not-for-profit corporation
Its: Sole Member

By: _____
Name: Tracey L. Manning
Its: President

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

By: 
Andrew J. Mooney
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.

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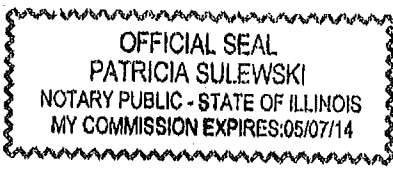
By: _____
Andrew J. Mooney
Commissioner

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Patricia Sulewski, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that, as the Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as his free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 11 day of December, 2013.

Patricia Sulewski
NOTARY PUBLIC



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that, as the Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as his free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 2013.

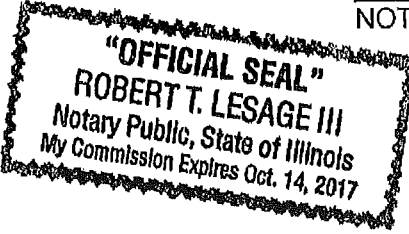
NOTARY PUBLIC

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Robert T. Lesage III, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Tracey L. Manning, personally known to me to be the President of The Burton Foundation, an Illinois not-for-profit corporation, the Sole Member of Burton Rosenwald GP, LLC, an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that she signed and delivered the foregoing instrument pursuant to authority given by said limited liability company, as her free and voluntary act and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 11th day of December, 2013.

RLS
NOTARY PUBLIC



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Robert T. LeSage III, a Notary Public in and for said County, in the State aforesaid, do hereby certify that James N. Bergman, personally known to me to be the Managing Member of GB Rosenwald, LLC, an Illinois limited liability company, the Managing Member of Rosenwald Courts GP, LLC, an Illinois limited liability company, the General Partner of Rosenwald Courts Apartments, LP, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by said limited partnership, as his free and voluntary act and as the free and voluntary act and deed of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 11th day of December, 2013.

RLS

NOTARY PUBLIC



EXHIBIT A

REDEVELOPMENT AREA

All that part of Sections 4,3,9 and 10 in Township 38 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the point of intersection of the south line of West 51 st Street with the west line of South State Street; thence north along said west line of South State Street to the westerly extension of the north line of Lot 46 in Sam. Wing's Resubdivision of Block 4 in Prior and Hopkin's Subdivision of the west half of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said north line of Lot 46 being also the south line of East 40th Street; thence east along said westerly extension and the south line of East 40th Street to the east line of South Indiana Avenue; thence north along said east line of South Indiana Avenue to the south line of Lot 7 in Block 1 of Springer's Subdivision of the north half of the west half of the northeast quarter of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lot 7 being also the north line of the alley south of East Pershing Road; thence east along said north line of the alley south of East Pershing Road to the west line of Lot 3 in said Block 1 of Springer's Subdivision; thence south along said west line of Lot 3 in Block 1 of Springer's Subdivision to the south line of said Lot 3; thence east along said south line of said Lot 3 in Block 1 of Springer's Subdivision and along the easterly extension thereof to the east line of South Prairie Avenue; thence north along said east line of South Prairie Avenue to the south line of Lot 4 in Block 2 of said Springer's Subdivision, said south line of Lot 4 being also the north line of the alley south of East Pershing Road; thence east along said north line of the alley south of East Pershing Road and along the easterly extension thereof to the west line of Lot 3 in Wallace R. Martin's Subdivision of the north 100 feet of Lot 1 in the Circuit Court Partition of the east half of the northeast quarter of the northwest quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian (except that part thereof taken for Grand Boulevard); thence south along said west line of Lot 3 in Wallace R. Martin's Subdivision to the south line thereof; thence east along said south line of Lot 3 in Wallace R. Martin's Subdivision and along the south line of Lots 2 and 1 in said Wallace R. Martin's Subdivision to the east line of said Lot 1, said east line of Lot 1 in Wallace R. Martin's Subdivision being also the west line of South Dr. Martin Luther King, Jr. Drive; thence south along said west line of South Dr. Martin Luther King, Jr. Drive to the westerly extension of the north line of Lot 2 in Cleaver and Sherman's Subdivision of the north 10 acres of the south 10 acres and the south 10 acres of the north 20 acres in the northwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension to the east line of said South Dr. Martin Luther King, Jr. Drive; thence south along said east line of South Dr. Martin Luther King, Jr. Drive to the centerline of East 41 st Street; thence west along said centerline of East 41 st Street to the northerly extension of a line 28.00 feet west of and parallel with the west line of Block 2 of George S. Bowen's Subdivision of the north half of the north half of the southwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and a line 28.00 feet west of and parallel with the west line of said Block 2 of George S. Bowen's Subdivision and along the southerly extension thereof to the westerly extension of the centerline of East Bowen Avenue, said centerline of East Bowen Avenue being a line 40 feet south of and parallel with the south line of said Block 2 of George S. Bowen's Subdivision; thence east along said westerly extension and the centerline of East Bowen Avenue to the northerly extension of the easterly line of Lot 1 in the subdivision of the south 10 feet of Lot 1 and all of Lots 2,3 and 4 in Block 2 of Jennings' Subdivision of the south half of the north half of the southwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the

Third Principal Meridian, said easterly line of Lot 1 being also the westerly line of South Vincennes Avenue; thence south along said northerly extension and the westerly line of South Vincennes Avenue to the southeast corner of Lot 36 in Botford's Boulevard Subdivision of that part of the south half of the south half of the southwest quarter of the northeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian lying west of Vincennes Avenue (except that part condemned for West Pierce Avenue), said southeast corner of Lot 36 being also the point of intersection of the westerly line of South Vincennes Avenue with the north line of East 43rd Street; thence south along a straight line to the northeast corner of Lot 35 in the subdivision of that part of the north half of the northwest quarter of the northwest quarter of the southeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said northeast corner of Lot 35 being also the point of intersection of the west line of South Vincennes Avenue with the south line of East 43rd Street; thence south along said west line of South Vincennes Avenue to the south line of Lot 42 in said subdivision of that part of the north half of the northwest quarter of the northwest quarter of the southeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian; thence west along said south line of Lot 42 in the subdivision of that part of the north half of the northwest quarter of the northwest quarter of the southeast quarter of said Section 3 to the east line of Lot 9 in Enigh and Kilmer's Plat of that part west of South Vincennes Avenue of the south half of the northwest quarter of the northwest quarter of the southeast quarter of Section 3, Township 38 North, Range 14 East of the Third Principal Meridian, said east line of Lot 9 being also the west line of South Vincennes Avenue; thence south along said west line of South Vincennes Avenue to the south line of East 44th Street; thence east along said south line of East 44th Street to the west line of South St. Lawrence Avenue; thence south along said west line of South St. Lawrence Avenue to the south line of East 47th Street; thence west along said south line of East 47th Street to the east line of South Forestville Avenue; thence south along said east line of South Forestville Avenue to the south line of East 49th Street; thence west along said south line of East 49th Street to the east line of South Dr. Martin Luther King, Jr. Drive; thence south along said east line of South Dr. Martin Luther King, Jr. Drive to the south line of Lot 5 in Henneberry's Subdivision of the west one acre of Lot 8 in Lavinia and Company's Subdivision of Garden and Cottage Lots of the south quarter of the northeast quarter of Section 10, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lot 5 in Henneberry's Subdivision to the west line of Lot 1 in the subdivision of Lots 9, 10 and 11 in Lavinia and Company's Subdivision of Garden and Cottage Lots of the south quarter of the northeast quarter of Section 10, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of South Dr. Martin Luther King, Jr. Drive; thence south along said east line of South Martin Luther King Drive and along the southerly extension thereof to the south line of East 51 st Street; thence west along said south line of East 51 st Street to the point of beginning at the west line of South State Street, all in the City of Chicago, Cook County, Illinois.

EXHIBIT B
PROPERTY
(see attached)



PARCEL 1:

LOTS 1, 2, 3 AND 4 IN THE RESUBDIVISION OF LOTS 1, 2, 3 AND 4 IN BLOCK 5 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST 1/2 OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 5 TO 46 INCLUSIVE IN BLOCK 5 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST 1/2 OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

ALL OF THE NORTH-SOUTH 20 FOOT VACATED ALLEY EXTENDING THROUGH BLOCK 5 IN WINSTON'S SUBDIVISION AFORESAID, VACATED BY ORDINANCE ADOPTED DECEMBER 12, 1928 AND RECORDED AS DOCUMENT NUMBER 10254237, IN COOK COUNTY, ILLINOIS.

PARCEL 4

LOTS 42, 43, 44, 45 AND 46 IN BLOCK 6 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5

LOTS 15, 16 AND 17 IN BLOCK 4 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6

LOTS 19, 20 AND 21 IN BLOCK 4 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS FOR PARCELS 1, 2 AND 3:

4600 - 4646 South Michigan Avenue, 4601 -
4641 South Wabash Avenue, 53 - 71 East
46th Street, Chicago, Illinois

**PERMANENT INDEX NUMBERS FOR
PARCELS 1, 2 AND 3:**

20-03-319-007-0000; 20-03-319-008-0000
(As to Parcel 1) (As to Parcel 2 & 3)

ADDRESS FOR PARCEL 4:

4601 South Michigan Avenue, 4609 South
Michigan Avenue and 4611 South
Michigan, Chicago, Illinois

**PERMANENT INDEX NUMBERS FOR
PARCEL 4:**

20-03-320-003-0000; 20-03-320-002-0000;
20-03-320-001-0000

ADDRESS FOR PARCEL 5:

4638 South Wabash Avenue, Chicago,
Illinois

**PERMANENT INDEX NUMBERS FOR
PARCEL 5:**

20-03-318-033-0000

ADDRESS FOR PARCEL 6:

4648 South Wabash Avenue, 4650 South
Wabash Avenue, and 4652 South Wabash
Avenue, Chicago, Illinois

**PERMANENT INDEX NUMBERS FOR
PARCEL 6:**

20-03-318-026-0000; 20-03-318-027-0000;
20-03-318-028-0000

EXHIBIT B-1
APARTMENT PROPERTY
(see attached)

PARCEL 1:

LOTS 1, 2, 3 AND 4 IN THE RESUBDIVISION OF LOTS 1, 2, 3 AND 4 IN BLOCK 5 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST 1/2 OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 5 TO 46 INCLUSIVE IN BLOCK 5 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

ALL OF THE NORTH-SOUTH 20 FOOT VACATED ALLEY EXTENDING THROUGH BLOCK 5 IN WINSTON'S SUBDIVISION AFORESAID, VACATED BY ORDINANCE ADOPTED DECEMBER 12, 1928 AND RECORDED AS DOCUMENT NUMBER 10254237, IN COOK COUNTY, ILLINOIS.

ADDRESS FOR PARCELS 1, 2 AND 3:

4600 - 4646 South Michigan Avenue, 4601 -
4641 South Wabash Avenue, 53 - 71 East
46th Street, Chicago, Illinois

**PERMANENT INDEX NUMBERS FOR
PARCELS 1, 2 AND 3:**

20-03-319-007-0000; 20-03-319-008-0000
(As to Parcel 1) (As to Parcel 2 & 3)

EXHIBIT B-2
CITY PARKING PROPERTY
(see attached)

LEGAL DESCRIPTION OF CITY PARKING PROPERTY

LOT 19 IN BLOCK 4 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 4648 SOUTH WABASH AVENUE
CHICAGO, ILLINOIS 60653

PERMANENT INDEX NO. 20-03-318-026-0000

LOTS 15, 16 AND 17 IN BLOCK 4 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 4638 SOUTH WABASH AVENUE
CHICAGO, ILLINOIS 60653

PERMANENT INDEX NO. 20-03-318-033-0000

LOTS 42, 43, 44, 45 AND 46 IN BLOCK 6 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 4601, 4609 & 4611 SOUTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60605

PERMANENT INDEX NOS. 20-03-320-001-0000 (AFFECTS LOTS 44, 45 & 46)
20-03-320-002-0000 (AFFECTS LOT 43)
20-03-320-003-0000 (AFFECTS LOT 42)

EXHIBIT B-3

PRIVATE PARKING PROPERTY

(see attached Exhibits B-3(a) and B-3(b))

EXHIBIT B-3(a)

PREVIOUSLY-ACQUIRED PRIVATE PARKING PROPERTY

(see attached)

Lots 20 and 21 in Block 4 in Winston's Subdivision of the South 34 acres of the West 1/2 of the Southwest 1/4 of Section 3, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Lot 20; PIN 20-03-318-027-0000 - Address: 4650 S. Wabash Avenue

Lot 21; PIN 20-03-318-028-0000 - Address: 4652 S. Wabash Avenue

EXHIBIT B-3(b)

PRIVATE PARKING PROPERTY TO BE ACQUIRED

(not attached as of the Closing Date,
to be attached or otherwise incorporated herein prior to or on the CHA Loan Closing Date)

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

(see attached)

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Acquisition	\$13,500,000
Construction	<u>\$62,893,284</u>
Total	\$76,393,284*

*Note: Notwithstanding the total of TIF-Funded Improvements, the assistance to be provided by the City is limited to \$25,000,000.

EXHIBITS D-F

[intentionally omitted]

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, if any: Ameriland Realty Corporation v. Landwhite Developers LLC, Case No. 2013-CH-12985 and Mechanic's Lien for \$300,000 recorded as Doc. No. 1301845030.

EXHIBIT H-1

PROJECT BUDGET

Acq:Building + Land Cost	13,805,000
Acq:Carry Costs + Broker Fees	625,000
Acq:Title and Transfer Taxes	153,784
Con:Phase I	16,069,068
Con: Phase II	46,824,216
Con:IT /Security System	625,000
Con: Final Cleaning	90,000
Con:Furniture Fixtures & Equipment	475,000
Con:Building Permits + Utility Fees	675,000
Con:Contingency	6,308,867
Architect – Design&Supervision	1,562,500
Prof:Engineering Fees	214,750
Prof:Predevelopment Interest	450,000
Prof:Environmental Reports	104,645
Permit Expdtr/Appraisal/Mkt Studies	120,000
Prof:Accountant -- General	150,000
Prof:Legal - Organizational	1,135,000
Prof:Legal - Syndication Fees	400,000
Prof:Plats & Surveys	45,000
Prof:Consultant -- Historic	95,000
Prof:Consultant – Financial & TIF	161,158
Prof:Title & Recording Fees	75,000
Con-P:Haz. Insurance & RE Taxes	420,000
LenFee:Application Fee	8,750
LenFee:Const. & Perm Loan Points	686,000
LenFee:Construction Inspection	50,000
LenFee:Lender Legal Costs	260,000
LenFee:Bond Costs - All	1,082,350
LenFee:IAHTC Reservation Fee	99,000
M&L:Marketing & Leasing	349,200
DevFee:Developer Fee	8,500,000
Res:Replacement Reserve	162,650
Res:Section 8 Reserve	126,000
Res:Operating Deficit	2,513,259
Res:Tax & Insurance Escrow	206,070
Res:Lease-Up Expense	780,632
Res:ACC Reserve	396,000
Int: TE Bond Loan Interest	3,325,000
Int:Seller Financing Interest	639,377
<u>Int:CHA Capital Funds Interest</u>	<u>300,000</u>
Total	\$110,168,276

EXHIBIT H-2

PROJECT CONSTRUCTION BUDGET

(see attached)

ROSENWALD CONSTRUCTION BUDGET

PHASE I and PHASE II CONSTRUCTION WORK COMBINED

Trade	Item Description	Total
1	Demolition/ Excavation	5,325,530
2	Environmental / Material Testing	1,624,229
3	Concrete	1,427,262
4	Masonry / Stone Work	4,064,239
5	Structural Steel	1,491,086
6	Rough & Finish Carpentry	2,516,608
7	Insulation	1,186,780
8	Roofing	1,497,839
9	Sheet Metal	-
10	Doors	787,151
11	Windows	2,548,629
12	Glass	-
13	Finishes	-
14	Drywall / Studs/ Insulation/ Ceiling Syst	6,218,000
15	Wood/ Athletic Flooring	-
16	Flooring - all	1,328,585
17	Painting and Decorating	1,470,672
18	Specialties	483,502
19	Cabinets	476,501
20	Appliances	880,751
21	Elevators / Trash Chutes	953,786
22	Plumbing and Hot Water	4,945,463
23	Fire Protection	949,700
24	Heat, Ventilation, A/C	5,225,186
25	Electrical	5,635,011
26	Security System	30,000
27	NPS Historic - Allowance	15,000
28	Site Utilities	932,307
29	Parking lots, Roads and Walks	1,435,540
30	Site Improvements	360,328
31	Lawns and Planting	282,636
32	Final Unit Cleaning	-
	Temp Heat/ Mobilization/ Carpentry	
33	for Shoring during Demo	1,160,057
34	SUBTOTAL TRADES	55,252,378
35	Site Security	225,904
36	GC Liability insurance	584,961
37	General Requirements	3,315,143
38	Builder's Overhead / Profit	3,079,667
39	Bond Premium	435,332
40	SUBTOTAL OTHER	7,641,007
41	GRAND TOTAL CONSTRUCTION	62,893,385

EXHIBIT I
APPROVED PRIOR EXPENDITURES
(see attached)

EXHIBIT I

APPROVED PRIOR EXPENDITURES

Acquisition: Building	\$13,500,000
Acquisition: Land	106,119
Acquisition: Carrying Costs	172,837
Acquisition: Title & Transfer Taxes	118,734
Architectural Design	486,805
Engineering	5,000
Pre-Development Interest	450,000
Legal	325,751
Accounting	13,000
Plats & Surveys	37,935
Appraisals	17,200
Environmental Reports and Monitoring	38,000
Permit Expediting	16,550
Market Study	32,608
Historic Consulting	38,100
Historic Documentation	4,870
Loan Placement Fees	31,158
TIF Consultant	122,500
Loan Fees	8,250
Citi Lender Legal	50,000
TOTAL	\$15,575,418

EXHIBIT J
OPINION OF DEVELOPER'S COUNSEL
(see attached)

203 North LaSalle Street, Suite 1800
Chicago, Illinois 60601-1293
main 312.368.4000 fax 312.236.7516

December 13, 2013

City of Chicago
Department of Housing and Economic Development
121 North LaSalle Street, 10th Floor
Chicago, Illinois 60602

Re: Initial Closing of Rosenwald Courts Rehabilitation Financing

Ladies and Gentlemen:

We have acted as (i) counsel for Rosenwald Courts Apartments, LP, an Illinois limited partnership (the "Owner"), Rosenwald Courts GP, LLC, an Illinois limited liability company and the general partner of the Owner (the "General Partner"), and GB Rosenwald, LLC, an Illinois limited liability company and the managing member of the General Partner (the "Managing Member;" and together with the Owner and the General Partner, collectively, the "Owner Parties" as the context may require) and (ii) special counsel to Burton Rosenwald GP, LLC, an Illinois limited liability company ("Burton") in connection with the initial closing of the rehabilitation financing with the City of Chicago (the "City") and the acquisition from the City of nine (9) real estate parcels (collectively, the "City Parcels") (collectively, the "Transaction") for the purpose of rehabilitating certain improvements located on certain real property situated in the City and more particularly described on Exhibit A attached hereto (the "Property") to be known as Rosenwald Courts Apartments (the "Development"). The Owner Parties and Burton have requested that this opinion be furnished to the City.

In so acting as counsel for the Owner Parties and special counsel for Burton we have examined:

- A. an executed original of that certain Land Use Restriction Agreement, dated as of December 1, 2013, by and between the City and the Owner (the "LURA");

- B. an executed original of that certain Rosenwald Courts TIF Redevelopment Agreement, dated as of December 1, 2013, by and among the City, the Owner and Burton (the "TIF RDA");
- C. an executed original of that certain Low Income Housing Tax Credit Regulatory Agreement, dated as of December 1, 2013, by and between the City and the Owner (the "LIHTC Regulatory Agreement");
- D. an executed original of that certain First Amendment to Loan Documents, dated as of December 1, 2013, by and among the City, the Owner, and the Managing Member (the "NSP Amendment");
- E. an executed original of that certain Conveyance Deed Escrow Agreement (the "Conveyance Deed Escrow Agreement"), dated as of December 1, 2013, by and among the Owner, the City, and Near North National Title, LLC, a Delaware limited liability company, as agent for Chicago Title Insurance Company (the "Title Company");
- F. an executed original of that certain Special Warranty Deed (Vacant Land), dated as of December 1, 2013, with respect to the City Parcels from the Owner to the City (the "Reconveyance Deed");
- G. the Certificate of Limited Partnership of the Owner, as furnished and certified by the Secretary of State of the State of Illinois (the "Secretary of State"), by certificate dated November 21, 2013;
- H. the Amended and Restated Agreement of Limited Partnership of Rosenwald Courts Apartments, LP, dated as of December 1, 2013, in respect of the Owner, by and among the General Partner, USA Rosenwald Courts LLC, a Delaware limited liability company, and The Richman Group Capital Corporation, a Delaware corporation (the "Partnership Agreement");
- I. the Written Consent of the Partners of Rosenwald Courts Apartments, LP, dated as of December 1, 2013;
- J. the Certificate of Good Standing, dated November 21, 2013, issued by the Secretary of State as to the good standing of the Owner (the "Owner Good Standing Certificate");
- K. the Articles of Organization of the General Partner, as furnished and certified by the Secretary of State, by certificate dated November 21, 2013;
- L. the Operating Agreement of Rosenwald Courts GP, LLC, dated as of June 4, 2012, as amended as of the date hereof, with respect of the General Partner, by

and among Managing Member, DR Rosenwald, LLC, an Indiana limited liability company, and Rosenwald LGG, LLC, an Illinois limited liability company (the "GP Operating Agreement");

- M. the Certificate of Good Standing, dated November 21, 2013, issued by the Secretary of State as to the good standing of the General Partner (the "General Partner Good Standing Certificate");
- N. the Certificate of Formation of the Managing Member, as furnished and certified by the Secretary of State, by certificate dated November 21, 2013;
- O. the Operating Agreement of GB Rosenwald, LLC, dated November 24, 2012, as amended as of the date hereof, with respect of the Managing Member, by and between James N. Bergman and Amit Goel (the "Managing Member Operating Agreement");
- P. the Written Consent of the Members of GB Rosenwald, LLC, dated as of December 1, 2013;
- Q. the Certificate of Good Standing, dated November 21, 2013, issued by the Secretary of State as to the good standing of the Managing Member (the "Managing Member Good Standing Certificate"); and
- R. the Certificate of Formation of Burton, as furnished and certified by the Secretary of State, by certificate dated November 21, 2013;
- S. the Operating Agreement of Burton Rosenwald GP, LLC, dated January 8, 2013, with respect of Burton, by The Burton Foundation, an Illinois not for profit corporation (the "Burton Operating Agreement");
- T. the Written Consent of the Member of Burton Rosenwald GP, LLC, dated as of November 26, 2013;
- U. the Certificate of Good Standing, dated November 21, 2013, issued by the Secretary of State as to the good standing of Burton (the "Burton Good Standing Certificate"); and
- V. The Articles of Incorporation of The Burton Foundation, an Illinois not for profit corporation ("TBF"), as furnished and certified by the Secretary of State, by certificate dated November 21, 2013 (the "TBF Articles");
- W. The Bylaws of TBF (the "TBF Bylaws");

- X. the Certificate of Good Standing, dated November 21, 2013, issued by the Secretary of State as to the good standing of TBF (the "TBF Good Standing Certificate");
- Y. the Certificate of the Owner Parties (the "Owner Parties Opinion Certification"), of even date herewith, executed by the Owner Parties in favor of DLA Piper LLP (US), a copy of which is attached hereto as Exhibit B.
- Z. the Certificate of Burton (the "Burton Opinion Certification"), of even date herewith, executed by Burton in favor of DLA Piper LLP (US), a copy of which is attached hereto as Exhibit C.

The LURA, the TIF RDA, the LIHTC Regulatory Agreement, the Conveyance Deed Escrow Agreement, and the Reconveyance Deed are hereinafter collectively referred to as the "City Documents."

Documents G – Q and Y are hereinafter referred to collectively as the "Owner's Organizational Documents;" Documents K – M and Y are hereinafter referred to collectively as the "General Partner's Organizational Documents;" Documents N – Q and Y are hereinafter referred to collectively as the "Managing Member's Organizational Documents;" and Documents R - X and Z are hereinafter referred to as Burton's Organizational Documents." For purposes hereof, the Owner's Organizational Documents, the General Partner's Organizational Documents, the Managing Member's Organizational Documents and Burton's Organizational Documents shall sometimes be referred to hereinafter collectively as the "Organizational Documents," as the context may require.

Documents A – Z are hereinafter referred to collectively as the "Documents."

In reaching the opinions set forth below, we have assumed, and to our knowledge there are no facts inconsistent with, the following:

Each of the parties to the Documents, other than the Owner Parties and Burton, and any person executing any of the Documents on behalf of the Owner Parties and Burton, has duly and validly executed and delivered each such instrument, document, and agreement to be executed in connection with the Transaction to which such party is a signatory, and such party's obligations set forth in the Documents are its legal, valid, and binding obligations, enforceable in accordance with their respective terms.

Each person executing any of the Documents, other than the Owner Parties and Burton (and any person executing any of the Documents on behalf of the Owner Parties or Burton), whether individually or on behalf of an entity, is duly authorized to do so, and is legally competent to do so.

All signatures of parties other than the Owner Parties and Burton (and any person executing any of the Documents on behalf of the Owner Parties or Burton) are genuine.

All Documents which were submitted to us as originals are authentic; all Documents which were submitted to us as certified or photostatic copies conform to the original document; and all public records reviewed are accurate and complete.

All applicable Documents have been duly filed, indexed, and recorded among the appropriate official records, and all fees, charges, and taxes due and owing as of this date have been paid.

The parties to the City Documents, other than the Owner Parties and Burton, and their respective successors and assigns, will: (i) act in good faith and in a commercially reasonable manner in the exercise of any rights or enforcement of any remedies under the City Documents, as applicable; and (ii) comply with all requirements of applicable procedural and substantive law in exercising any rights or enforcing any remedies under the City Documents, as applicable, except to the extent such requirements have been lawfully waived in or pursuant to the City Documents.

In rendering this opinion we also have assumed that the City Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and the obligations of the parties thereunder. We also have assumed that the terms and the conditions of the Transaction as stated in the City Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the City Documents. We have no knowledge of any facts that would lead us to believe that the assumptions in this paragraph are not justified.

In addition, in rendering this opinion we have relied as to certain matters of fact upon the Owner Parties' Opinion Certification and the Burton Opinion Certification, certain of the Organizational Documents as set forth herein. We have no knowledge of any facts that are inconsistent with the matters of fact set forth in the Owner Parties' Opinion Certification, the Burton Opinion Certification and/or said Organizational Documents.

Based on the foregoing and subject to the assumptions and qualifications herein stated, it is our opinion that:

1. Based on the Owner Good Standing Certificate, the Owner is a limited partnership duly organized and validly existing under the laws of the State of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence. The Owner has all requisite authority to carry on its business as described in the Partnership Agreement and to execute and deliver, and to consummate the transactions contemplated by, each of the City Documents.

2. Based on the General Partner Good Standing Certificate, the General Partner is a limited liability company duly organized and validly existing under the laws of the State of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence. The General Partner has all requisite authority to carry on its business as described in the GP Operating Agreement.
3. Based on the Managing Member Good Standing Certificate, the Managing Member is a limited liability company duly organized and validly existing under the laws of the State of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence. The Managing Member has all requisite authority to carry on its business as described in the Managing Member Operating Agreement.
4. Based on the GB Good Standing Certificate, GB is a limited liability company duly organized and validly existing under the laws of the State of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence. GB has all requisite authority to carry on its business as described in the GB Operating Agreement.
5. Based on the Burton Good Standing Certificate, Burton is a limited liability company duly organized and validly existing under the laws of the State of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence. To our knowledge, Burton has all requisite authority to carry on its business as described in the Burton Operating Agreement.
6. Based on the TBF Good Standing Certificate, Burton is a not for profit corporation duly organized and validly existing under the laws of the State of Illinois, has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence. To our knowledge, TBF has all requisite authority to carry on its business as described in the TBF Articles and TBF Bylaws.
7. Based on the Owner's Organizational Documents, the General Partner has the requisite power and authority to execute and deliver each of the City Documents on behalf of the Owner and to perform its obligations thereunder.
8. Based on the GB's Organizational Documents, GB has the requisite power and authority to execute and deliver the NSP Amendment and to perform its obligations thereunder.

9. Based on Burton's Organizational Documents, TBF has the requisite power and authority to execute and deliver the TIF RDA on behalf of Burton and to perform its obligations thereunder.
10. Each of the City Documents and the Reconveyance Deed have been executed and delivered on behalf of the Owner by the General Partner. Each of the City Documents (other than the Conveyance Deed Escrow Agreement as to which, with your permission, we render no enforceability opinion) and the Reconveyance Deed constitute a legal, valid and binding obligation of the Owner enforceable against the Owner in accordance with its respective terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
11. The NSP Amendment has been executed and delivered by the Managing Member and constitutes a legal, valid and binding obligation of the Managing Member enforceable against such party, in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
12. The TIF RDA has been executed and delivered on behalf of Burton by TBF. The TIF RDA constitute a legal, valid and binding obligation of Burton enforceable against Burton in accordance with its respective terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
13. Based on the Owner's Opinion Certification and to our knowledge, except as otherwise disclosed to the City, there is no action, suit or proceeding at law or in equity pending, nor threatened, against or affecting the Owner, the General Partner or the Development, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the Owner's or the General Partner's ability to perform under the City Documents.
14. Based on the Owner's Opinion Certification and to our knowledge, except as otherwise disclosed to the City, there is no action, suit or proceeding at law or in

equity pending, nor threatened, against or affecting the Managing Member, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of the Managing Member to perform under the NSP Amendment.

15. Based on Burton's Opinion Certification and to our knowledge, except as otherwise disclosed to the City, there is no action, suit or proceeding at law or in equity pending, nor threatened, against or affecting Burton, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of Burton to perform under the TIF RDA.
16. The execution and delivery of the City Documents by the Owner and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Partnership Agreement, (ii) to our knowledge, any provision of any contract or other instrument to which the Owner is a party or by which the Owner or the Property are bound, or (iii) to our knowledge, any order, writ, injunction, decree, statute, rule or regulation binding on the Owner or the Property, or
 - B. based on the Opinion Certification and to our knowledge, a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance (other than the liens of the City) upon any property of the Owner, including the Property, pursuant to any agreement or other instrument to which the Owner is a party or by which the Owner or the Property is bound, except as otherwise contemplated thereby;.
17. The execution and delivery of the NSP Amendment by the Managing Member and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Managing Member Operating Agreement, (ii) to our knowledge, any provision of any contract or other instrument to which the Managing Member is bound, or (iii) to our knowledge, any order, writ, injunction, decree, statute, rule or regulation binding on the Managing Member, or
 - B. based on the Owner's Opinion Certification and to our knowledge, a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance (other than the liens of the City) upon any property of the Managing Member, including the Property, pursuant to any agreement or other instrument

to which the Managing Member is a party or by which the Managing Member or the Property is bound, except as otherwise contemplated thereby;

18. The execution and delivery of the TIF RDA by Burton and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Burton Operating Agreement, (ii) to our knowledge, any provision of any contract or other instrument to which Burton is bound, or (iii) to our knowledge, any order, writ, injunction, decree, statute, rule or regulation binding on Burton, or
 - B. based on Burton's Opinion Certification and to our knowledge, a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance (other than the liens of the City) upon any property of Burton, pursuant to any agreement or other instrument to which the Burton is a party or by which Burton or the Property is bound, except as otherwise contemplated thereby;
19. To our knowledge, no action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the City Documents which has not already occurred.
20. Based on the title insurance policy of even date issued by Near North National Title LLC, as agent for Chicago Title Insurance Company, in favor of the Owner with respect to the Property, the LURA, the NSP Amendment, the TIF RDA and the LIHTC Regulatory Agreement each create a valid encumbrance of record on the Property.

In addition to the assumptions set forth above, the opinions set forth above are also subject to the following qualification:

A. We express no opinion as to the laws of any jurisdiction other than the laws of the State of Illinois and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of the State of Illinois and the United States of America as currently in effect. We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if we become aware of any facts that might change the opinions expressed above after the date of this opinion.

B. In basing the opinions set forth in this opinion on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Owner

Parties and Burton, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Further, the words "our knowledge" as used in this opinion are intended to be limited to the actual knowledge or actual notice of the attorneys and paralegals within our firm who have been involved in representing the Owner Parties and Burton in connection with this matter, i.e., Elizabeth H. Friedgut, Esq and Richard Klawiter, Esq.

C. We express no opinion as to matters of title or priority or perfection of liens or security interests with regard to the priority of the real and personal property.

D. We have not reviewed and do not opine as to: (i) compliance by the Project with applicable zoning, health, safety, building, environmental, land use or subdivision laws, ordinances, codes, rules or regulations, (ii) ERISA laws, rules and regulations, or (iii) federal or state taxation, banking, securities or "blue sky" laws, rules or regulations.

This opinion is limited to the matters set forth herein. We disavow any obligation to update this opinion or advise you of any changes in our opinion in the event of changes in applicable laws or facts or if additional or newly discovered information is brought to our attention. This legal opinion represents our best judgment as to legal issues, and should not be construed to be a guaranty that a court or administrative agency will reach any particular result in any individual case or that legislative or administrative changes or court decisions may not be forthcoming which would affect the opinions and conclusions set forth herein. In addition, this opinion is provided to you as a legal opinion only and not as a guaranty or warranty of the matters discussed herein or in the documents referred to herein. No opinion may be inferred or implied beyond the matters expressly stated herein. No portion of this opinion may be quoted or in any other way published without the prior written consent of the undersigned subject to the disclosure of such opinion pursuant to a FOIA request or other legal discovery request binding upon the City. This opinion is rendered at the request of the Owner Parties and Burton solely for the benefit of the City, and no other person or entity shall be entitled to rely on any matter set forth herein without the prior written consent from the undersigned firm.

Very truly yours,

DLA PIPER LLP (US)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOTS 1, 2, 3 AND 4 IN THE RESUBDIVISION OF LOTS 1, 2, 3 AND 4 IN BLOCK 5 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST 1/2 OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 5 TO 46 INCLUSIVE IN BLOCK 5 IN WINSTON'S SUBDIVISION OF THE SOUTH 34 ACRES OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

ALL OF THE NORTH-SOUTH 20 FOOT VACATED ALLEY EXTENDING THROUGH BLOCK 5 IN WINSTON'S SUBDIVISION AFORESAID, VACATED BY ORDINANCE ADOPTED DECEMBER 12, 1928 AND RECORDED AS DOCUMENT NUMBER 10254237.

PARCEL 4

LOTS 42 THROUGH 46, BOTH INCLUSIVE, IN BLOCK 6 IN WINSTONS SUBDIVISION OF THE SOUTH 34 ACRES AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5

LOTS 15, 16 AND 17 IN BLOCK 4 IN WINSTONS SUBDIVISION OF THE SOUTH 34 ACRES AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6

LOTS 19, 20 AND 21 IN BLOCK 4 IN WINSTONS SUBDIVISION OF THE SOUTH 34 ACRES AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 3,

TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN
COOK COUNTY, ILLINOIS.

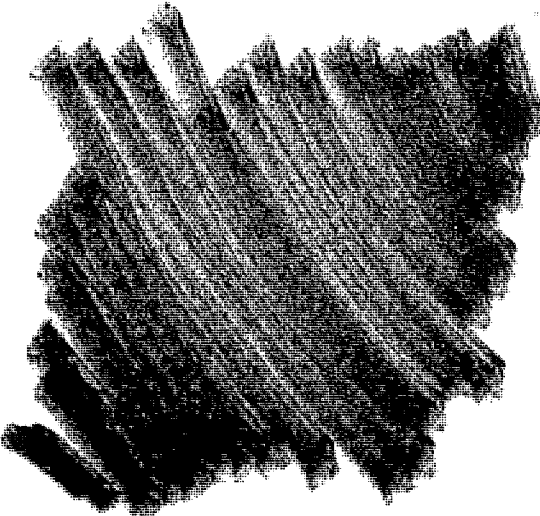


EXHIBIT K

PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES

(see attached)



Exhibit K

Minimum Assessed Value / Property Taxes Rosenwald Courts

<u>Assessment</u>	<u>Payment</u>			MINIMUM				
<u>Year</u>	<u>Year</u>	<u>Market Value</u>	<u>Assessment Rate</u>	ASSESSED VALUE	<u>State Equalizer</u>	<u>Equalized Assessed Value</u>	<u>Tax Rate</u>	<u>Property Taxes</u>
2013	2014	1,452,358	10%	1,452,358	2.8056	407,473	6.40%	26,062
2014	2015	1,452,358	10%	1,452,358	2.8056	407,473	6.40%	26,062
2015	2016	1,452,358	10%	1,452,358	2.8056	407,473	6.40%	26,062
2016	2017	2,992,541	10%	2,992,541	2.8056	839,587	6.40%	53,700
2017	2018	5,985,082	10%	5,985,082	2.8056	1,679,174	6.40%	107,400
2018	2019	6,104,783	10%	6,104,783	2.8056	1,712,758	6.40%	109,548
2019	2020	6,226,879	10%	6,226,879	2.8056	1,747,013	6.40%	111,739
2020	2021	6,351,416	10%	6,351,416	2.8056	1,781,953	6.40%	113,974
2021	2022	6,478,445	10%	6,478,445	2.8056	1,817,592	6.40%	116,253
2022	2023	6,608,014	10%	6,608,014	2.8056	1,853,944	6.40%	118,578
2023	2024	6,740,174	10%	6,740,174	2.8056	1,891,023	6.40%	120,950
2024	2025	6,874,977	10%	6,874,977	2.8056	1,928,844	6.40%	123,369
2025	2026	7,012,477	10%	7,012,477	2.8056	1,967,421	6.40%	125,836
2026	2027	7,152,727	10%	7,152,727	2.8056	2,006,769	6.40%	128,353

Improvements: Includes the rehabilitation of the Project as generally described in the Redevelopment Agreement.

[Developer]

By: _____
Name: _____
Title: _____

Subscribed and sworn before me this ____ day of _____, _____.

My commission expires: _____

Agreed and accepted:

Name: _____
Title: _____

City of Chicago
Department of Housing and Economic Development

EXHIBIT M

FORM OF NOTE

REGISTERED
NO. R-1

MAXIMUM AMOUNT
\$25,000,000

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE (47th AND KING DRIVE
REDEVELOPMENT PROJECT), TAXABLE SERIES A

Registered Owner: Burton Rosenwald GP, LLC, an Illinois limited liability company

Interest Rate: Zero percent per annum

Maturity Date: Not later than December 31, 2026

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$25,000,000.

Principal of this Note from the Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) shall be paid at such times and in such amounts as set forth in Section 4.03(b) of the Redevelopment Agreement. The principal of this Note is payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such

Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$25,000,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Burton Rosenwald GP, LLC, an Illinois limited liability company (the "Project"), which were acquired, constructed and/or installed in connection with the development of a site in the 47th and King Drive Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on October 16, 2013 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE EXCESS INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO

CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF THIS NOTE. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Rosenwald Courts Redevelopment Agreement dated as of December 1, 2013 among the City, Burton Rosenwald GP, LLC, an Illinois limited liability company, and Rosenwald Courts Apartments, LP, an Illinois limited partnership (the "Redevelopment Agreement"), the Registered Owner has agreed to construct the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such construction in the amount of \$25,000,000 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend or terminate payments of principal on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, 2013.

Mayor

(SEAL)
Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

Registrar
and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (47th and King Drive Redevelopment Project), Taxable Series 2013A, of the City of Chicago, Cook County, Illinois.

Comptroller
Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT PRINCIPAL PAYMENT PRINCIPAL BALANCE DUE

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

BY:

ITS:

CERTIFICATE OF EXPENDITURE

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$25,000,000 Tax Increment Allocation Revenue Note
(47th and King Drive Redevelopment Project, Taxable Series 2013A)
(the "TIF Note")

This Certificate is submitted to you, Registered Owner of the TIF Note, pursuant to the Ordinance of the City authorizing the execution of the TIF Note adopted by the City Council of the City on October 16, 2013 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the TIF Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the TIF Note is \$_____, including the amount of this Certificate and less payment made on the TIF Note.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of _____.

CITY OF CHICAGO

By: _____
Commissioner
Department of Housing and Economic
Development

AUTHENTICATED BY:

REGISTRAR

EXHIBITS N-O

[intentionally omitted]

EXHIBIT P
FORM OF PAYMENT BOND
(see attached)

BOND

Bond No.:

CONTRACTOR:

(Name, legal status and address)

The George Sollitt Construction Co./Powers & Sons/Brown & Momen JV
350 N. Canal Avenue, 37th Fl. Date: 11-5-2013

SURETY:

(Name, legal status and principal place of business)

Travelers Casualty and Surety Company of America
Construction Services, Travelers Bond & Financial Products
One Tower Square, Hartford, CT 06183

OWNER:

(Name, legal status and address)

Rosenwald Court Apartments
138 S. Wabash Hill Drive
Chicago, Illinois 60604

CONSTRUCTION CONTRACT

Date: November 5, 2013

Amount: \$46,824,217.00 Forty Six Million Eight Hundred Twenty Four Thousand Two Hundred Seventeen and No/100----

Description:

(Name and location)

Rosenwald Court Apartments
Bound by Michigan and Wabash Avenues and 46th and 47th Streets, Chicago, IL

BOND

Date:

(Not earlier than Construction Contract Date)

November 5, 2013

Amount: \$46,824,217.00 Forty Six Million Eight Hundred Twenty Four Thousand Two Hundred Seventeen and No/100----

Modifications to this Bond: NONE See Section 18

CONTRACTOR AS PRINCIPAL

Company: The George Sollitt Construction
Co./Powers & Sons/Brown & Momen JV
(Corporate Seal)

SURETY

Company: Travelers Casualty and Surety Company of
America (Corporate Seal)

Signature:

Name and Title: _____

Title:

(Any additional signatures appear on the last page of this Payment Bond.)

Signature:

Name and Title: Amy E. Callahan, Attorney-in-Fact

Title:

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

The Fidelity Company
211 E. Elizabeth St.
Chicago, Ill. 60604
Tel: 312.329.1200

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party):

Gartshore Plunkard Ltd.

§ 1 The Contractor and Surety, jointly and severally, shall indemnify, hold harmless, exonerate, administrate, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond,

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corporate Seal)

Company: (Corporate Seal)

Signature:

Signature:

Name and Title: [Redacted]

Name and Title: [Redacted]

Address: [Redacted]

Address: [Redacted]

PAYMENT BOND RIDER ADDING ADDITIONAL OBLIGEEES

This rider is to be attached to and forms a part of payment bond number _____, dated the ___ day of _____, 2013 ("Payment Bond") executed by _____ Insurance Company, as surety (the "Surety"), on behalf of The George Sollitt Construction Company/Powers & Sons/Brown & Momen JV, 790 North Central Avenue, Wood Dale, Illinois, as principal ("Principal"), in favor of Rosenwald Courts Apartments, LP, 20 Sandstone Drive, LeClaire, Iowa, as obligee ("Obligee").

WHEREAS, Principal has entered into a contract with Obligee dated the ___ day of _____, 2013, for interior build out and other services in connection with the rehabilitation of the Rosenwald Courts Apartments bounded by Michigan and Wabash Avenues and 46th and 47th Streets, Chicago, Illinois ("Contract"), as further described in the Contract.

WHEREAS, Obligee requests Principal and Surety to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Payment Bond.

WHEREAS, Principal and Surety agree to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Payment Bond.

NOW, THEREFORE, the undersigned agree as follows:

1. Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, are added to the Payment Bond as obligees ("Additional Obligees").
2. There shall be no liability of the Surety under the Payment Bond to the Additional Obligees, unless the Obligee or Additional Obligees make all payments to the Principal (or, in the event the Surety arranges for the completion of the Contract, to the Surety) in accordance with the terms of the Contract and shall perform all other obligations under the Contract at the time and in the manner required by the Contract. In no event, however, shall Additional Obligees be liable or responsible for performance of the Contract unless they undertake in a separate writing to be so bound.
3. In no event shall the aggregate liability of the Surety to the Obligee and Additional Obligees exceed the penal sum of the Payment Bond. At the Surety's election, any payment under the Payment Bond may be made by check issued to Obligee and Additional Obligees.
4. Except as modified in this rider, all other terms and conditions of the Payment Bond shall remain in full force and effect.

This change is effective the _____ day of _____, 2013.

Signatures on the following page.

IN WITNESS WHEREOF, the Principal, Surety, Obligees and Additional Obligees have caused this rider to be signed and sealed this _____ day of _____, 2013.

The George Sollitt Construction
Company/Powers & Sons/Brown &
Momen JV

By: _____ (Seal)
Title: _____
Date: _____

_____ Insurance Company

By: _____ (Seal)
Title: _____
Date: _____

Citibank, N.A.

By: _____ (Seal)
Title: _____
Date: _____

City of Chicago

By: _____ (Seal)
Title: _____
Date: _____

Rosenwald Courts Master Tenant, LP

By: _____ (Seal)
Title: _____
Date: _____

Chicago Housing Authority

By: _____ (Seal)
Title: _____
Date: _____

USA Rosenwald Courts LLC

By: _____ (Seal)
Title: _____
Date: _____

USA HTC Rosenwald LLC

By: _____ (Seal)
Title: _____
Date: _____

BOND

Hartford, Connecticut 06183

Bond No.:

CONTRACTOR:

(Name, legal status and address)
The George Sollitt Construction Co./Powers & Sons/Brown & Momen JV
790 N. Central Avenue

Wood Dale, IL 60191

SURETY:

(Name, legal status and principal place of business)

Travelers Casualty and Surety Company of America
Construction Services, Travelers Tower, 1100 North Dearborn Street
One Tower Square, Hartford, CT 06183

OWNER:

(Name, legal status and address)
Rosenwald Courts Apartments, LP
48828 Clarendon Hills Drive
Granger, Indiana 46530-7877

CONSTRUCTION CONTRACT

Date: November 5, 2013

Amount: \$ 46,824,217.00 Forty Six Million Eight Hundred Twenty Four Thousand Two Hundred Seventeen and No/100----

Description:

(Name and location)

Rosenwald Courts Apartments

Bounded by Michigan and Wabash Avenues and 46th and 47th Streets, Chicago, IL.

BOND

Date: November 5, 2013

(Not earlier than Construction Contract Date)

Amount: \$46,824,217.00 Forty Six Million Eight Hundred Twenty Four Thousand Two Hundred Seventeen and No/100----

Modifications to this Bond: None See Section 16

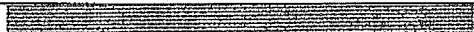
CONTRACTOR AS PRINCIPAL

Company: *The George Sollitt Construction Co./Powers & Sons/Brown & Momen JV (Corporate Seal)*

SURETY

Company: *Travelers Casualty and Surety Company of America (Corporate Seal)*

Signature:

Name and 

Title:

(Any additional signatures appear on the last page of this Performance Bond.)

Signature:

Name and 

Title:

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

The Foraker Company
2019 N. Elizabeth Dr.
Arlington Hts., IL 60004

847-392-9720

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)



§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

Bond, except when applicable to participate in a conference as provided in Section 3.

- § 3** If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after
- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
 - .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
 - .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 **Balance of the Contract Price.** The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 **Construction Contract.** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

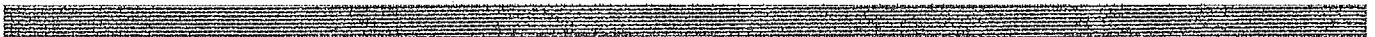
§ 14.3 **Contractor Default.** Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 **Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 **Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:



(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company: (Corporate Seal)

Company: (Corporate Seal)

Signature:

Signature:

Name and Title: [Redacted]

Name and Title: [Redacted]

Address: [Redacted]

Address: [Redacted]

PERFORMANCE BOND RIDER ADDING ADDITIONAL OBLIGEEES

This rider is to be attached to and forms a part of performance bond number _____, dated the ___ day of _____, 2013 ("Performance Bond") executed by _____ Insurance Company, as surety (the "Surety"), on behalf of The George Sollitt Construction Company/Powers & Sons/Brown & Momen JV, 790 North Central Avenue, Wood Dale, Illinois, as principal ("Principal"), in favor of Rosenwald Courts Apartments, LP, 20 Sandstone Drive, LeClaire, Iowa, as obligee ("Obligee").

WHEREAS, Principal has entered into a contract dated the ___ day of _____, 2013, with the Obligee for interior build out and other services in connection with the rehabilitation of the Rosenwald Courts Apartments bounded by Michigan and Wabash Avenues and 46th and 47th Streets, Chicago, Illinois ("Contract"), as further described in the Contract.

WHEREAS, Obligee requests Principal and Surety to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Performance Bond.

WHEREAS, Principal and Surety agree to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Performance Bond.

NOW, THEREFORE, the undersigned agree as follows:

1. Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, are added to the Performance Bond as obligees ("Additional Obligees").
2. There shall be no liability of the Surety under the Performance Bond to the Additional Obligees, unless the Obligee or the Additional Obligees make payments to the Principal (or, in the event the Surety arranges for the completion of the Contract, to the Surety) in accordance with the terms of the Contract and shall perform all other obligations under the Contract at the time and in the manner required by the Contract. In no event, however, shall Additional Obligees be liable or responsible for performance of the Contract unless they undertake in a separate writing to be so bound.
3. In no event shall the aggregate liability of the Surety to the Obligee and Additional Obligees exceed the penal sum of the Performance Bond. At the Surety's election, any payment under the Performance Bond may be made by check issued to Obligee and Additional Obligees.
4. Except as modified in this rider, all other terms and conditions of the Performance Bond shall remain in full force and effect.

This change is effective the _____ day of _____, 2013.

Signatures on the following page.

IN WITNESS WHEREOF, the Principal, Surety, Obligee and Additional Obligees have caused this rider to be signed and sealed this _____ day of _____, 2013.

The George Sollitt Construction
Company/Powers & Sons/Brown &
Momen JV

By: _____ (Seal)
Title: _____
Date: _____

_____ Insurance Company

By: _____ (Seal)
Title: _____
Date: _____

Citibank, N.A.

By: _____ (Seal)
Title: _____
Date: _____

City of Chicago

By: _____ (Seal)
Title: _____
Date: _____

Rosenwald Courts Master Tenant, LP

By: _____ (Seal)
Title: _____
Date: _____

Chicago Housing Authority

By: _____ (Seal)
Title: _____
Date: _____

USA Rosenwald Courts LLC

By: _____ (Seal)
Title: _____
Date: _____

USA HTC Rosenwald LLC

By: _____ (Seal)
Title: _____
Date: _____

Document A312™ - 2010

Conforms with The American Institute of Architects AIA Document 312

Payment Bond

CONTRACTOR:

(Name, legal status and address)

**TISHMAN/BURLING
ROSENWALD, A JOINT
VENTURE
ONE SOUTH WACKER
DRIVE, STE 2300
CHICAGO, IL 60606**

SURETY:

(Name, legal status and principal place of business)

**FEDERAL INSURANCE COMPANY
15 MOUNTAIN VIEW ROAD
WARREN, NJ 07059**

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

1400 AMERICAN LANE, TOWER I, 18TH FL
SCHAUMBURG, IL 60196

LIBERTY MUTUAL INSURANCE COMPANY

175 BERKELEY STREET
BOSTON, MA 02116

OWNER:

(Name, legal status and address)

**ROSENWALD COURTS
APARTMENTS, LP
48828 CLAREDON HILLS DRIVE
GRANGER, IN 46530-7877**

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONSTRUCTION CONTRACT

Date: **TBD**

Amount: **\$16,069,168.00**

Description:

(Name and location)

**ROSENWALD COURTS APARTMENTS
BOUNDED BY MICHIGAN AND WABASH
AVENUES AND 46TH AND 47TH STREETS
CHICAGO, ILLINOIS**

BOND

Date: **TBD**

(Not earlier than Construction Contract Date)

Amount: **\$16,069,168.00**

Modifications to this Bond: None See Section 18

CONTRACTOR AS PRINCIPAL

Company: **TISHMAN/BURLING
ROSENWALD, A JOINT VENTURE**

SURETY

Company: **FEDERAL INSURANCE
COMPANY**

Signature: _____ Signature: _____

Name

Name

And Title:

And Title: **ATTORNEY-IN-FACT**

(Any additional signatures appear on the last page of this Payment Bond)

(FOR INFORMATION ONLY - Name, address and telephone)

AGENT or BROKER:

**MARSH RISK & INSURANCE SERVICES
777 SO. FIGUEROA ST, STE 2200, LOS ANGELES,
CA 90017 ~ 213-624-5555**

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of the Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 **Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 **Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 18 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company:

SURETY

Company: **FIDELITY AND DEPOSIT COMPANY OF
MARYLAND**

Signature: _____
Name and Title:

Signature: _____
Name and Title:

ATTORNEY-IN-FACT

SURETY

Company: **LIBERTY MUTUAL INSURANCE
COMPANY**

Signature: _____
Name and Title:

ATTORNEY-IN-FACT

PAYMENT BOND RIDER ADDING ADDITIONAL OBLIGEEES

This rider is to be attached to and forms a part of payment bond number _____, dated the ___ day of _____, 2013 ("Payment Bond") executed by Federal Insurance Company, as surety (the "Surety"), on behalf of Tishman/Burling Rosenwald, a Joint Venture, One South Wacker Drive, Suite 2300, Chicago, Illinois, as principal ("Principal"), in favor of Rosenwald Courts Apartments, LP, 20 Sandstone Drive, LeClaire, Iowa, as obligee ("Obligee").

WHEREAS, Principal has entered into a contract with Obligee dated the ___ day of _____, 2013, for demolition, environmental remediation, and other services in connection with the rehabilitation of the Rosenwald Courts Apartments bounded by Michigan and Wabash Avenues and 46th and 47th Streets, Chicago, Illinois ("Contract"), as further described in the Contract.

WHEREAS, Obligee requests Principal and Surety to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Payment Bond.

WHEREAS, Principal and Surety agree to add the Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Payment Bond.

NOW, THEREFORE, the undersigned agree as follows:

1. Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, are added to the Payment Bond as obligees ("Additional Obligees").
2. There shall be no liability of the Surety under the Payment Bond to the Additional Obligees, unless the Obligee or Additional Obligees make all payments to the Principal (or, in the event the Surety arranges for the completion of the Contract, to the Surety) in accordance with the terms of the Contract and shall perform all other obligations under the Contract at the time and in the manner required by the Contract. In no event, however, shall Additional Obligees be liable or responsible for performance of the Contract unless they undertake in a separate writing to be so bound.
3. In no event shall the aggregate liability of the Surety to the Obligee and Additional Obligees exceed the penal sum of the Payment Bond. At the Surety's election, any payment under the Payment Bond may be made by check issued to Obligee and Additional Obligees.
4. Except as modified in this rider, all other terms and conditions of the Payment Bond shall remain in full force and effect.

This change is effective the _____ day of _____, 2013.

Signatures on the following page.

IN WITNESS WHEREOF, the Principal, Surety, Obligees and Additional Obligees have caused this rider to be signed and sealed this _____ day of _____, 2013.

Tishman/Burling Rosenwald, a Joint Venture

By: _____ (Seal)
Title: _____
Date: _____

Federal Insurance Company

By: _____ (Seal)
Title: _____
Date: _____

Citibank, N.A.

By: _____ (Seal)
Title: _____
Date: _____

City of Chicago

By: _____ (Seal)
Title: _____
Date: _____

Rosenwald Courts Master Tenant, LP

By: _____ (Seal)
Title: _____
Date: _____

Chicago Housing Authority

By: _____ (Seal)
Title: _____
Date: _____

USA Rosenwald Courts LLC

By: _____ (Seal)
Title: _____
Date: _____

USA HTC Rosenwald LLC

By: _____ (Seal)
Title: _____
Date: _____

Document A312™ - 2010

Conforms with The American Institute of Architects AIA Document 312

Performance Bond

CONTRACTOR:

(Name, legal status and address)

**TISHMAN/BURLING
ROSENWALD, A JOINT
VENTURE
ONE SOUTH WACKER
DRIVE, STE 2300
CHICAGO, IL 60606**

SURETY:

(Name, legal status and principal place of business)

**FEDERAL INSURANCE COMPANY
15 MOUNTAIN VIEW ROAD
WARREN, NJ 07059**

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

1400 AMERICAN LANE, TOWER I, 18TH FL
SCHAUMBURG, IL 60196

LIBERTY MUTUAL INSURANCE COMPANY

175 BERKELEY STREET
BOSTON, MA 02116

OWNER:

(Name, legal status and address)

**ROSENWALD COURTS
APARTMENTS, LP
48828 CLAREDON HILLS DRIVE
GRANGER, IN 46530-7877**

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONSTRUCTION CONTRACT

Date: TBD

Amount: \$16,069,168.00

Description:

(Name and location)

ROSENWALD COURTS APARTMENTS, BOUNDED BY MICHIGAN AND WABASH AVENUES AND 46TH AND 47TH STREET, CHICAGO, ILLINOIS

BOND

Date: TBD

(Not earlier than Construction Contract Date)

Amount: \$16,069,168.00

Modifications to this Bond: None See Section 16

CONTRACTOR AS PRINCIPAL

Company: **TISHMAN/BURLING
ROSENWALD, A JOINT VENTURE**

SURETY

Company: **FEDERAL INSURANCE
COMPANY**

Signature: _____

Name

And Title:

(Any additional signatures appear on the last page of this Performance Bond)

Signature: _____

Name

And Title: **ATTORNEY-IN-FACT**

(FOR INFORMATION ONLY - Name, address and telephone)

AGENT or BROKER:

**MARSH RISK & INSURANCE SERVICES
777 SO. FIGUEROA ST, STE 2200, LOS ANGELES
CA, 90017 ~ 213-624-5555**

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety;
and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- . 1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- . 2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- . 3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 **Balance of the Contract Price.** The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 **Construction Contract.** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 **Contractor Default.** Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 **Owner Default.** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 **Contract Documents.** All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company:

Signature: _____
Name and Title:

SURETY

Company: **FIDELITY AND DEPOSIT COMPANY OF
MARYLAND**

Signature: _____
Name
and Title: **ATTORNEY-IN-FACT**

SURETY

Company: **LIBERTY MUTUAL INSURANCE COMPANY**

Signature: _____
Name
and Title: **ATTORNEY-IN-FACT**

PERFORMANCE BOND RIDER ADDING ADDITIONAL OBLIGEEES

This rider is to be attached to and forms a part of performance bond number _____, dated the ___ day of _____, 2013 ("Performance Bond") executed by Federal Insurance Company, as surety (the "Surety"), on behalf of Tishman/Burling Rosenwald, a Joint Venture, One South Wacker Drive, Suite 2300, Chicago, Illinois, as principal ("Principal"), in favor of Rosenwald Courts Apartments, LP, 20 Sandstone Drive, LeClaire, Iowa, as obligee ("Obligee").

WHEREAS, Principal has entered into a contract dated the ___ day of _____, 2013, with the Obligee for demolition, environmental remediation, and other services in connection with the rehabilitation of the Rosenwald Courts Apartments bounded by Michigan and Wabash Avenues and 46th and 47th Streets, Chicago, Illinois ("Contract"), as further described in the Contract.

WHEREAS, Obligee requests Principal and Surety to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Performance Bond.

WHEREAS, Principal and Surety agree to add Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, as additional obligees to the Performance Bond.

NOW, THEREFORE, the undersigned agree as follows:

1. Rosenwald Courts Master Tenant, LP, Citibank, N.A., City of Chicago, Chicago Housing Authority, USA Rosenwald Courts LLC, and USA HTC Rosenwald LLC, are added to the Performance Bond as obligees ("Additional Obligees").
2. There shall be no liability of the Surety under the Performance Bond to the Additional Obligees, unless the Obligee or the Additional Obligees make payments to the Principal (or, in the event the Surety arranges for the completion of the Contract, to the Surety) in accordance with the terms of the Contract and shall perform all other obligations under the Contract at the time and in the manner required by the Contract. In no event, however, shall Additional Obligees be liable or responsible for performance of the Contract unless they undertake in a separate writing to be so bound.
3. In no event shall the aggregate liability of the Surety to the Obligee and Additional Obligees exceed the penal sum of the Performance Bond. At the Surety's election, any payment under the Performance Bond may be made by check issued to Obligee and Additional Obligees.
4. Except as modified in this rider, all other terms and conditions of the Performance Bond shall remain in full force and effect.

This change is effective the _____ day of _____, 2013.

Signatures on the following page.

IN WITNESS WHEREOF, the Principal, Surety, Oblige and Additional Obligees have caused this rider to be signed and sealed this _____ day of _____, 2013.

Tishman/Burling Rosenwald, a Joint
Venture

By: _____ (Seal)
Title: _____
Date: _____

Federal Insurance Company

By: _____ (Seal)
Title: _____
Date: _____

Citibank, N.A.

By: _____ (Seal)
Title: _____
Date: _____

City of Chicago

By: _____ (Seal)
Title: _____
Date: _____

Rosenwald Courts Master Tenant, LP

By: _____ (Seal)
Title: _____
Date: _____

Chicago Housing Authority

By: _____ (Seal)
Title: _____
Date: _____

USA Rosenwald Courts LLC

By: _____ (Seal)
Title: _____
Date: _____

USA HTC Rosenwald LLC

By: _____ (Seal)
Title: _____
Date: _____

EXHIBIT Q
ENVIRONMENTAL DOCUMENTS

(see attached)

December 3, 2013

ROSENWALD ENVIRONMENTAL REPORTS SUMMARY

Report Name	Consultant	Date of Report
1. Phase 1 Environmental Site Assessment (Building)	GSG	October 2013
2. Phase II Environmental Site Assessment Report (Building)	GSG	March 2012
3. Hazardous Material Building Survey (Building)	GSG	March 2012
4. Lead-Based Paint (LBP) Survey Report (Building)	GSG	March 2012
5. CSI/ROR/RAP (Building)	GSG	October 2013
6. RACR (Building)	GSG	To Be Determined
7. Phase 1 ESA, Lot A, 4638-4652 S. Wabash	GSG	July 2012
8. Phase 1 ESA Update, Lot A, 4638-4652 S. Wabash	GSG	September 2013
9. Phase II ESA, Lot A, 4638-4652 S. Wabash	GSG	October 2013
10. CSI/ROR/RAP, Lot A, 4638-4652 S. Wabash	GSG	To Be Determined
11. RACR, Lot A, 4638-4652 S. Wabash	GSG	To Be Determined
12. Phase 1 ESA, Lot B, 4602 S. Wabash	GSG	July 2012
13. Phase 1 ESA Update, Lot B, 4602 S. Wabash	GSG	September 2012
14. Phase II ESA, Lot B, 4602 S. Wabash	GSG	October 2013
15. CSI/ROR/RAP, Lot B, 4602 S. Wabash	GSG	To Be Determined
16. RACR, Lot B, 4602 S. Wabash	GSG	To Be Determined
17. Phase 1 ESA, Lot C, 4601-4611 S. Michigan	GSG	July 2012
18. Phase 1 ESA Update, Lot C, 4601-4611 S. Michigan	GSG	September 2013
19. Geotechnical Subsurface Investigation	GSG	October 2, 2012

NOTES:

CSI – Comprehensive Site Investigation Report
ROR – Remedial Objectives Report
RAP – Remedial Action Plan
RACR – Remedial Action Completion Report

EXHIBIT R

2FM ENVIRONMENTAL COMPLIANCE CERTIFICATION

(see attached)






DEPARTMENT OF FLEET & FACILITY MANAGEMENT

MEMORANDUM

To: Lawrence Grisham
Managing Deputy Commissioner, Bureau of Housing
Department of Housing and Economic Development

From: David J. Reynolds, P.E., LEED AP
Commissioner 

Date: January 17, 2013

Subject: Environmental Compliance Certification
Multi-Family Loan Program and Neighborhood Stabilization Program 2
4600 S. Michigan Avenue – Rosenwald Courts

The Department of Fleet and Facility Management (2FM) has completed the required federal environmental assessment review for the federal funded project listed below (the project), namely:

1. 4600 S. Michigan Avenue (Rosenwald Courts)

2FM has determined that the project is in compliance with the environmental laws and authorities cited in the U.S. Department of Housing and Urban Development's (HUD's) "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities," as set forth in 24 CFR Part 58.

Please note that this environmental clearance is conditional on the developer appropriately addressing the environmental and historical conditions present at the project as follows:

1. Enrollment into the Illinois Environmental Protection Agency (IEPA) Site Remediation Program for purposes of obtaining a comprehensive No Further Remediation letter;
2. Removal of old underground storage tanks (USTs), if present, in accordance with all local, state, and federal regulations;
3. Abating asbestos containing material (ACM) and lead-based paint in accordance with all local, state, and federal regulations; and
4. Submission of plans and specifications to the Illinois Historic Preservation Agency (IHPA) for review and approval to ensure compliance with the Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings".

Lawrence Grisham
January 17, 2013
Page 2 of 2

In accordance with the federal grant conditions, 2FM has prepared the applicable environmental review record file for the project. This record file documents the City's finding that the proposed project actions are part of a larger undertaking for which Findings of No Significant Impact (FONSI) were made on April 25, 2007 and June 1, 2010, and for which circumstances have not changed significantly. All documentation supporting the FONSI level of clearance determination for the project will be maintained by 2FM.

If you have any questions regarding this matter, please contact Kevin Laberge, of my staff, at (312) 742-0463.

cc: Roman Segal, DHED
Tracy Sanchez, DHED
Kimberly Worthington, 2FM

6/8/2015/ken

ATTACHMENT E

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year are listed below.

Parties to Agreement with City	Project Description	Address
N/A	Construction of Mixed Use Property	4718 S. Wabash Ave.
N/A	Construction of Mixed Use Property	4109 S. Indiana
N/A	Construction of Mixed Use Property	424 E. 45th Place
N/A	Construction of Mixed Use Property	3927 S. Prarie Ave.
N/A	Construction of Mixed Use Property	4225 S. Indiana Ave.
N/A	Construction of Mixed Use Property	4217 S. Indiana
N/A	Construction of Mixed Use Property	4600 S. Michigan Ave

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2013

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

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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 47th/King Drive 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 47th/King Drive 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 47th/King Drive 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 Kilner, L.L.P.
Certified Public Accountants

June 30, 2014

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the 47th/King Drive 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
47TH/KING DRIVE 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 \$5,043,911 for the year. This was an increase of 5 percent over the prior year. The change in net position (including other financing uses) produced an increase in net position of \$3,390,765. The Project's net position increased by 10 percent from the prior year making available \$36,969,833 of funding to be provided for purposes of future redevelopment in the Project's designated area.

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE 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	\$ 37,531,650	\$ 33,940,650	\$ 3,591,000	11%
Total liabilities	<u>561,817</u>	<u>361,582</u>	<u>200,235</u>	55%
Total net position	<u>\$ 36,969,833</u>	<u>\$ 33,579,068</u>	<u>\$ 3,390,765</u>	10%
Total revenues	\$ 5,106,593	\$ 4,892,100	\$ 214,493	4%
Total expenses	<u>1,545,474</u>	<u>2,855,099</u>	<u>(1,309,625)</u>	-46%
Other financing uses	<u>170,354</u>	<u>9,870,272</u>	<u>(9,699,918)</u>	-98%
Changes in net position	<u>3,390,765</u>	<u>(7,833,271)</u>	<u>11,224,036</u>	143%
Ending net position	<u>\$ 36,969,833</u>	<u>\$ 33,579,068</u>	<u>\$ 3,390,765</u>	10%

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

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

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 32,355,210	\$ -	\$ 32,355,210
Property taxes receivable	5,114,000	-	5,114,000
Accrued interest receivable	62,440	-	62,440
Total assets	<u>\$ 37,531,650</u>	<u>\$ -</u>	<u>\$ 37,531,650</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 419,737	\$ -	\$ 419,737
Due to other City funds	142,080	-	142,080
Total liabilities	<u>561,817</u>	<u>-</u>	<u>561,817</u>
Deferred inflows	<u>4,252,934</u>	<u>(4,252,934)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>32,716,899</u>	<u>(32,716,899)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 37,531,650</u>		
Net position:			
Restricted for future redevelopment project costs		<u>36,969,833</u>	<u>36,969,833</u>
Total net position		<u>\$ 36,969,833</u>	<u>\$ 36,969,833</u>

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

Total fund balance - governmental fund	\$ 32,716,899
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>4,252,934</u>
Total net position - governmental activities	<u>\$ 36,969,833</u>

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

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

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

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 5,761,473	\$ (717,562)	\$ 5,043,911
Interest	62,682	-	62,682
	<hr/>	<hr/>	<hr/>
Total revenues	5,824,155	(717,562)	5,106,593
Expenditures/expenses:			
Economic development projects	1,545,474	-	1,545,474
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	4,278,681	(717,562)	3,561,119
Other financing uses:			
Operating transfers out (Note 2)	(170,354)	-	(170,354)
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures and other financing uses	4,108,327	(4,108,327)	-
Change in net position	-	3,390,765	3,390,765
Fund balance/net position:			
Beginning of year	28,608,572	4,970,496	33,579,068
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 32,716,899</u>	<u>\$ 4,252,934</u>	<u>\$ 36,969,833</u>

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

Net change in fund balance - governmental fund	\$ 4,108,327
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/> (717,562)
Change in net position - governmental activities	<hr/> <u>\$ 3,390,765</u>

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

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In March 2002, the City of Chicago (City) established the 47th/King Drive 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 special revenue 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
47TH/KING DRIVE 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 fund 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 fund 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
47TH/KING DRIVE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Operating Transfers Out

During 2013, in accordance with State statutes, the Project transferred \$170,354 to the contiguous Pershing/King Redevelopment Project for the Bronzeville Associates Limited Partnership redevelopment agreement for the development located at 424 East 41st Street.

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 \$710,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
47TH/KING DRIVE 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	\$ 142,085
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	160,000
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	393,162
Costs of the construction of public works or improvements	<u>850,227</u>
	<u>\$1,545,474</u>



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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 47th/King Drive Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2013, and the related statement of activities and governmental fund 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 47th/King Drive 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