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

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**HORNER/WESTHAVEN PARK PHASE IIA2 MIDRISE
TRANSFORMATION PROJECT REDEVELOPMENT AGREEMENT**

This Horner/Westhaven Park Phase IIA2 Midrise Transformation Project Redevelopment Agreement (this "Agreement") is made as of this 27th day of December, 2004, by and between the City of Chicago, acting by and through its Department of Housing ("DOH"), WHP Tower, LLC, an Illinois limited liability company, its permitted successors and permitted assigns (the "Developer"), and WHP Tower Rental, LLC, an Illinois limited liability company, its permitted successors and permitted assigns (the "Rental LLC"). Notwithstanding its execution of this Agreement and its agreement to be bound by certain provisions specified hereunder, the remedies of the City against the Rental LLC are limited as set forth in Section 15.02. Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax

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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 February 16, 2000, and published in the Journal of Proceedings of the City Council for such date at pages 25276 to 25432 : (1) "An Ordinance of the City of Chicago, Illinois Approving a Tax Increment Redevelopment Plan for the Central West Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Central West 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 Central West 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 CHA is the owner of the real property described in Exhibit B (together with all rights, title and interest appurtenant thereto, the "Land"), which is located in the Redevelopment Area and commonly known or to be known as 100 N. Hermitage Avenue, Chicago, Illinois. After the formation of the Redevelopment Area, but prior to the date hereof, the City and the CHA initiated certain site preparation work on the Land. This site preparation work has included environmental investigation activities and the construction of certain public improvements, including water and sewer lines, all in order to prepare the Land for the construction of the improvements contemplated by this Agreement.

The Project contemplated by this Agreement consists of the construction of a single mid-rise building (the "Building"). The Building will have 113 units of residential housing in a mixed-income residential housing development. The 113 units include 79 for-sale units that will be sold to private purchasers (the "For Sale Units") and 34 rental units that will be sold to the Rental LLC (the "Rental Units"). Of the 79 For Sale Units, 72 will be Market Rate For Sale Units and 7 will be Affordable For Sale Units. All 34 Rental Units will be Public Housing Rental Units and will, until the expiration of the life of the Redevelopment Area, be occupied and rented to Low And Very Low Income Households. Other Recorded Affordability Documents will impose additional income, rent, term and affordability requirements with respect to such Rental Units. Exhibit C attached hereto and made a part hereof describes the location, unit number, bedroom size and accessibility and adaptability features of (a) the For Sale Units (including identifying which units are Market Rate For Sale Units and which are Affordable For Sale Units), and (b) the Rental Units.

On the Closing Date, the CHA and the Developer will execute the Ground Lease and record such lease (or a memorandum thereof) against the Land, subject to a termination right to be set forth therein.

The Developer will then proceed to construct the Building and certain related improvements (the Land, the Building and such related improvements, collectively, the "Property"), all in accordance with any applicable Plans and Specifications. Upon completion of the Building, the Developer shall form the Condominium Association, submit the Property to the Condominium Act, and record the Condominium Plat, thereby creating a 113 unit condominium development.

Thereafter, the Developer will from time to time convey the condominium units to private purchasers at market rate prices (with respect to Market Rate For Sale Units), and Qualified Households at an Affordable Price, as such terms are defined in Exhibit B to the City Recapture Mortgage (with respect to Affordable For Sale Units). Upon the completion of the construction of the Building and certain related improvements, the Developer will convey the Public Housing Rental Units to the Rental LLC for the purchase price set forth in Exhibit D.

Construction costs of the Building and related improvements will be funded from a single Construction Loan Escrow in accordance with the terms of the Construction Loan Escrow Agreement. Generally, and subject to the funding of certain reserves and similar items outside of such escrow, all financing sources will be funded through the Construction Loan Escrow as part of a single project covered by a single budget. The Construction Loan Escrow Agreement shall generally provide that, after all initial required Developer equity has been funded, if any, the City, using proceeds of the TIF Loan, will fund its Pro Rata Share of each draw request. The City's Pro Rata Funding requirement shall at all times be subject to the "eligible cost" limitations imposed under the TIF Act and to the limitations set forth in the "Pro Rata Share" definition. Other lenders providing Lender Financing and the Developer shall also fund their pro rata share of such draw requests, as more fully described in the Construction Loan Escrow Agreement, the form and substance of which shall be acceptable to the City, in its sole discretion. Because the Tax Credit Equity will be funded on a deferred basis at the time the Rental Units are sold to the Rental LLC, the Senior Lender shall also "bridge finance" an amount equal to such deferred Tax Credit Equity. In addition, the CHA may fund certain environmental remediation costs not included in the Project Budget through a separate subaccount within the Construction Loan Escrow.

This Agreement, and all applicable Lender Financing Documents (including any Recorded Affordability Documents) shall initially be recorded against the Land and, during construction, shall encumber the entire Building and all related improvements. The mortgage liens and security interests created under the Lender Financing Documents shall be subordinate to the Recorded Affordability Documents to generally insure that the affordability requirements imposed thereby survive any foreclosure of such liens and security interests.

At the time of the submission of the Property to the Condominium Property Act and the creation of separate legal descriptions for the condominium units, and upon the pay-in of Tax Credit Equity to refinance amounts bridge-financed by the Senior Lender, the recorded Lender

Financing Documents shall be partially released and amended, as applicable, from time to time, so as to impose mortgage liens and security interests against only the condominium units (and such units' related interest in the common elements) that are For Sale Units or Rental Units, as applicable, so that the Developer can deliver clear title to the For Sale Units to private purchasers and clear title to the Rental Units to the Rental LLC.

After the Closing Date, the City and the CHA may retain the right to go onto the Property as necessary in order to assist the Developer in its performance of certain remediation work applicable to certain portions of the Property with the intent of obtaining one or more NFRLs covering portions of the Property from the Illinois Environmental Protection Agency pursuant to the SRP. Such entries shall be coordinated with the Developer, the Rental LLC and the General Contractor. The General Contractor shall, as part of its General Contract (or, if such work is subcontracted or handled by a third party, such subcontractor or third party) and the construction of the Project, be responsible for complying with (or causing such subcontractor or third party to comply with) the requirements of the Remedial Action Plan approved by the Illinois Environmental Protection Agency and applicable to the Property.

The Developer's activities described above in this Recital D, together with the sale of the condominium units to the private purchasers and the Rental LLC, as applicable, and the ownership and occupancy of the Affordable For Sale Units and the Rental Units in accordance with this Agreement and the Governing Documents, is collectively referred to herein as the "Project." The Project includes, among other things, the City's payment or reimbursement of the cost of those TIF-Funded Improvements set forth on Exhibit E.

The completion of the Project would not reasonably be anticipated without the City Funds to be disbursed pursuant to this Agreement. But for the Developer Parties' execution of this Agreement, the City would be unwilling to provide the City Funds or other City financing for the Project.

The description of the Project in this Recital D describes the Project to be built, the Lender Financing for such Project and the required ownership and occupancy of such Project. The terms of this Agreement shall be binding upon the Developer Parties and the Property, and all successors in title to any portion of the Property, subject to the limitations set forth in Sections 7 and 16, and provided further that neither any individual purchasers of For Sale Units nor the Rental LLC nor any lender providing Lender Financing for the Project shall have any obligation to perform the construction obligations of the Developer.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Central West Redevelopment Project Area Redevelopment Project and Plan the "Redevelopment Plan") attached hereto as Exhibit F.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.02

hereof, (i) Available Incremental Taxes (except as the same may be pledged to make payments with respect to the City Note), and (ii) the proceeds of borrowings of the TIF Loan to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement, the Program Ordinance, the TIF Loan Agreement and the City Note.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes or Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.02(e) 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 the City Note), to make payments and prepayments of principal and interest on the City 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:

"Act" shall have the meaning set forth in Recital B.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with any Developer Party, WHP Tower Manager, LLC, BMH-I, LLC, Brinshore, Inc., Michaels Chicago Holding Company, LLC, and Community Reinvestment Fund, Inc..

"Affordable For Sale Units" shall mean For Sale Units sold to Qualified Households for an Affordable Price, as such terms are defined in Exhibit B to the City Recapture Mortgage attached hereto as Exhibit G and made a part hereof.

"Agreement" shall have the meaning set forth in the Preamble.

“AMI” shall mean Chicago-area median income, adjusted for family (as defined in 24 C.F.R. Part 5.403) size, as determined from time to time by HUD.

“Annual Contributions Contract” shall have the meaning set forth in the CHA R&O Agreement.

“Architect” shall mean Cordogan, Clark & Associates.

“Available Incremental Taxes” means an amount equal the Incremental Taxes (as defined below) deposited after the Closing Date in the TIF Fund (as defined below) attributable to (i) the taxes levied on (i) the Property and (i) the 155 residential rental dwelling units contained in 15 buildings in a development commonly known as “Henry Horner Homes Phase IIa1 Rental” including the following property identification numbers: 17-07-321-037, 17-07-321-038, 17-07-321-039, 17-07-321-040, 17-07-321-043, 17-07-321-044, 17-07-321-046, 17-07-423-014, 17-07-423-016, 17-07-423-017 and 17-07-423-018.

“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.

“Certificate” shall mean each certificate of completion described in Section 7.01 hereof.

“CHA” shall mean the Chicago Housing Authority, a municipal corporation, its successors and assigns.

“CHA Declaration” shall mean the Declaration of Restrictive Covenants by and among the CHA, the Developer and the Rental LLC to be entered into in connection with the CHA Financing and recorded on the Closing Date.

“CHA Financing” shall mean the financing provided by the CHA described in Exhibit H attached hereto.

“CHA Financing Documents” shall mean all documents evidencing, securing and relating to the CHA Financing.

“CHA Residents” shall mean tenants who qualify as being eligible to occupy “public housing” as defined in Section 3(b) of the United States Housing Act of 1937, as amended and as may hereafter be amended from time to time or any successor legislation, together with all regulations implementing the same.

“CHA R&O Agreement” shall mean the Regulatory and Operating Agreement by and among the CHA, the Developer and the Rental LLC to be entered into in connection with the CHA

Financing.

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

“City” shall mean the City of Chicago, a municipal corporation and a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, its successors and assign.

“City Council” shall have the meaning set forth in Recital C.

“City Funds” shall mean the funds borrowed by the City from the TIF Lenders pursuant to the TIF Loan Agreement, the repayment obligation of which shall be evidenced by the City Note and governed by the terms of the City Note, the TIF Loan Agreement and the Program Ordinance.

“City Note” shall mean the City of Chicago Tax Increment Allocation Revenue Note, Public Housing Transformation TIF Financing Program, Central West Redevelopment Project Area (Horner/Westhaven Park Phase IIA2 Midrise Transformation Project) Series 2004, to be in the form attached hereto as Exhibit I, in a maximum original principal amount not to exceed \$2,611,649.31 issued by the City to the TIF Lender on the Closing Date.

“City Recapture Mortgage” shall mean the Mortgage, Security Agreement and Recapture Agreement Including Restrictive Covenants to be executed by purchasers of Affordable For Sale Units in favor of the City to secure the conditional repayment of the purchase price subsidy afforded such purchasers, which shall be in substantially the form of Exhibit G.

“Closing Date” shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall in no event be later than December 1, 2004, unless the Commissioner, in his sole discretion, shall have consented to an extension of such closing date, as evidenced by his execution of this Agreement bearing a later date.

“Commissioner” shall mean the Commissioner of the Department of Housing of the City, or his or her designee.

“Condominium Act” shall mean the Illinois Condominium Property Act, 765 ILCS 605/1 et seq., as amended.

“Condominium Association” shall mean the Westhaven Park Tower Condominium Association, an Illinois not-for-profit corporation to be hereafter created in accordance with Section 18.1 of the Condominium Act, 765 ILCS 605/18.1, to operate the Condominium Development on behalf of the owners of the condominium units.

“Condominium Declaration” shall mean the Declaration of Leasehold Condominium for the Westhaven Park Tower Condominium, including the Bylaws and Rules and Regulations attached as exhibits thereto.

“Condominium Development” shall mean the leasehold condominium development to be constructed on the property leased under the Ground Lease.

“Condominium Plat” shall mean the plat to be prepared and recorded in accordance with Sections 5 and 6 of the Condominium Act, 765 ILCS 605/5 and 765 ILCS 605/6 with respect to the formation of the Condominium Development, setting forth the boundaries, dimensions, unit numbers and such other information as may be required under the Condominium Act, as the same may be amended from time to time in accordance with the Condominium Act and this Agreement.

“Construction Contract” shall mean the construction contract between Developer and the General Contractor dated April 1, 2004, which Construction Contract has been previously approved by DOH.

“Construction Loan Escrow” shall mean the construction escrow established pursuant to the Construction Loan Escrow Agreement.

“Construction Loan Escrow Agreement” shall mean the Construction Loan Escrow Agreement establishing the Construction Loan Escrow, by and among the lenders, the Title Company (or an affiliate of the Title Company), as escrow agent, and the Developer Parties.

“Corporation Counsel” shall mean the Corporation Counsel of the City.

“Developer” shall have the meaning set forth in the Preamble of this Agreement.

“Developer Party” shall mean one or more of the Rental LLC, the Developer, BMH-I, LLC, and WHP Tower Manager, LLC, as the context may require. **“Developer Parties”** shall mean all of such entities.

“DOH” shall mean the Department of Housing of the City, and any successor department, division, bureau, commission or agency thereto.

“DPD” shall mean the Department of Planning and Development of the City, and any successor department, division, bureau, commission or agency thereto.

“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 1801 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 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.

"Equity" shall mean, with respect to the Project, not less than \$3,349,012 of contributed and unreturned capital contributions made by the Developer, Chicago Reinvestment Fund, Inc. (or an affiliated fund thereof) and such other funds as the Commissioner may reasonably deem to be equity, available for the Project, which amount may be increased pursuant to Section 4.05 or Section 4.02(b).

"Event of Default" shall have the meaning set forth in Section 15.01 hereof.

"Existing Materials" shall the Hazardous Materials and other environmental conditions described in the SRP Reports existing on the Property prior to or as of the Closing Date.

"Financial Statements" shall mean, for the Developer, the Rental LLC, and any other Developer Parties complete financial statements of such entities as may be reasonably acceptable to DOH.

"For Sale Profit Sharing Guidelines" shall mean the requirements applicable to the sharing of certain net sale proceeds from the sale of the For Sale Units with the CHA and the City, as set forth in Exhibit J.

"For Sale Units" shall have the meaning set forth in Recital D.

"General Contractor" shall mean McShane Construction Corporation.

"Governing Documents" shall mean: this Agreement and all Exhibits attached hereto; the Redevelopment Plan; any applicable plats of subdivision, the condominium documents, the Residential Planned Development; the TIF Ordinances; the Plans and Specifications; the Project Budget and MBE/WBE Project Budget; the Annual Contribution Contract; the Ground Lease; and the Recorded Affordability Documents and all amendments thereto, and all federal, State and local laws, ordinances, rules, regulations, executive orders and codes from time to time applicable to the Project, the Property and/or the Developer Parties.

"Ground Lease" shall mean that certain Ground Lease dated December 27, 2004 between the

CHA and the Developer having a term of 99 years, and as the same may be amended, terminated and extended in accordance with its terms. Upon the conversion of the Developer's leasehold interest in the Land and fee simple title interest in the Building and related improvements to a condominium form of ownership, undivided interests in such leasehold estate shall be conveyed to purchasers of condominium units (along with fee simple title to each such purchaser's unit).

"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.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"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 for deposit by the Treasurer into the TIF Fund to pay Redevelopment Project Costs and obligations incurred in the payment thereof to the extent available, as allocated by the City in each fiscal year for the payment or reimbursement of costs of TIF-Funded Improvements.

"Infrastructure Improvements" shall mean the construction by the Developer of the curbs, sidewalks, parking areas, and utilities, to the extent such construction is identified in Exhibit K as being the responsibility of the Developer (and not identified therein as being the responsibility of the City or any private utility).

"Intercreditor Agreement" shall mean, if applicable, an intercreditor agreement by and among the City and the lenders providing Lender Financing for the Project and reflecting the acknowledgment and approval thereby of the Developer Parties, the form of which shall be acceptable to the City, in its sole discretion.

"Lender Financing" shall mean the financing available to pay for the costs of construction of the Project identified on Exhibit H attached hereto.

"Low and Very Low Income Households" shall mean either "low-income households," or "very low-income households," or some combination of both such households, as such terms are defined in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date hereof, 310 ILCS 65/3(c) defines "low-income household" to mean "a single person, family or unrelated persons living together, whose adjusted income is more than 50% but less than 80% of the AMI," as determined from time to time by HUD. As of the date hereof, 310 ILCS 65/3(d) defines "very low-income household" to mean "a single person, family or unrelated persons living together, whose adjusted income is not more than 50%" of the AMI, as determined from time to time by HUD.

“Market Rate For Sale Units” shall mean For Sale Units that may be sold at the market rate without any income qualification or affordability requirements.

“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.

“MBE/WBE Budget” shall mean the budget attached hereto as Exhibit L-1, as described in Section 10.03.

“Municipal Code” shall mean the Municipal Code of the City.

“NFRL” shall mean a No Further Remediation Letter issued pursuant to the SRP.

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

“Owners’ Title Policy” shall mean, with respect to the Property, an owner’s or leasehold title insurance policy in the most recently revised ALTA or equivalent form, showing fee simple title to the Property in the CHA, subject to 99 year leasehold interest of the Developer under the Ground Lease, subject only to the Permitted Liens.

“Permitted Liens” shall mean those liens and encumbrances against the Property set forth on Exhibit M and those being contested in accordance with Section 8.15 hereof.

“Plans and Specifications” shall mean final construction documents containing a site plan and working drawings and specifications for the For Sale Units, the Rental Units, the Infrastructure Improvements, any other related improvements and the landscaping and signage for the Project, sufficient for purposes of obtaining all required permits and detailing the scope of all required construction work, as approved in accordance with Section 3.02 hereof

“Prior Expenditure(s)” shall have the meaning set forth in Section 4.04(a) hereof.

“Pro Rata Share” shall mean the percentage of the TIF Loan proceeds as set forth in the Construction Loan Escrow Agreement to be used in connection with the funding of the draw requests for the TIF-Funded Improvements. In no event, however, shall the TIF Lenders’ Pro Rata Share of any draw request exceed an amount greater than the TIF-eligible expenses included in such draw request, unless the TIF Lenders have not funded their Pro Rata Share of any prior draw request(s) due to insufficient TIF-eligible expenses in such prior draw request(s). In such case, the TIF Lenders shall make a “catch-up” payment (or payments) until they have funded, on a cumulative basis, their Pro Rata Share of all draws requests to date. After the TIF Lender has funded the total amount of the TIF Loan proceeds to be used to fund the TIF-Funded Improvements, such amount being the total

City Funds committed to the Project under this Agreement, the TIF Lenders' Pro Rata Share shall thereafter be reduced to zero percent (0%) and the TIF Lenders shall have no further obligation to fund any draw requests nor shall have the City have any further obligation to provide City Funds.

"Program Ordinance" shall mean "An Ordinance of the City of Chicago, Illinois Approving a Public Housing Transformation TIF Financing Program" adopted by the City Council on April 9, 2003.

"Project" shall mean the project described in Recital D.

"Project Budget" shall mean the budget attached hereto as Exhibit L-2, showing the total construction cost of the Project by line item, furnished to DOH, in accordance with Section 3.03 hereof.

"Property" shall have the meaning set forth in Recital D.

"Public Housing Rental Units" shall mean the 34 units in the Building which, upon completion of construction, shall be sold to the Rental LLC and thereafter leased (or otherwise made available for occupancy) to CHA Residents by the Rental LLC in accordance with the CHA R&O Agreement.

"Recorded Affordability Documents" shall mean this Agreement, the CHA Declaration, the CHA R&O Agreement, the Ground Lease (or a memorandum thereof), any extended use agreement entered into pursuant to Section 42 of the Internal Revenue Code and such other documents as HUD and the lenders providing the Lender Financing may require to be recorded in order to encumber the Property with any affordability requirements applicable to such financing.

"Redevelopment Area" shall have the meaning set forth in Recital C.

"Redevelopment Plan" shall have the meaning set forth in Recital E.

"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 the Developer or any direct or indirect owner of Developer resulting in an Event of Default relating to: (i) a material and intentional misrepresentation to the City related to the Project, (ii) a fraudulent act or omission related to the Project, (iii) a material and intentional misappropriation of funds from the uses set forth in the Project Budget resulting in the receipt by the Developer or such direct or indirect owners in additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by DOH; (iv) any intentional or material waste to the Property or any portion

thereof; (v) use of the proceeds of the TIF Loan for payment or reimbursement of amounts other than the cost of TIF-Funded Improvements; (vi) a breach of the sale, refinancing, assignment and other provisions in Section 8.01(i) or (j) or Section 18.15; (vii) the occurrence of any material uninsured casualty event with respect to the Project for which the Developer is required to carry insurance; (ix) the material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Property; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer; or (xi) any receipt of proceeds of the TIF Loan after the occurrence of an Event of Default.

"Rental LLC" shall have the meaning set forth in the Preamble of this Agreement.

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

"Residential Planned Development" shall mean the zoning reclassification and Plan of Development Statements known as Residential Planned Development 822 approved by the City Council on May 28, 2002.

"Senior Lender" shall mean Citibank, F.S.B., its successors and assigns, or such other private lender as shall be reasonably acceptable to the Commissioner.

"SRP" means the State of Illinois Site Remediation Program, as codified at 415 ILCS 5/58, et seq., as amended from time to time.

"SRP Reports" means the Site Investigation Report, the Remediation Objectives Report, the Remedial Action Plan, and, upon its completion, the Remedial Action Completion Report all as applicable to the Property and prepared in connection with the enrollment of the Property in, and the remediation of the Property under, the SRP.

"State" shall have the meaning set forth in Recital A.

"Survey" shall mean a plat of survey of the Property complying with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys (1999) 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, 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 applicable portion of the Project improvements and related improvements as required by the City or lender(s) providing Lender Financing).

"Tax Credit Equity" shall mean funds of Rental LLC to be derived from the allocation of low income housing tax credits to the Project in an amount not less than the amount set forth in Exhibit H

attached hereto, or such other amount as may be acceptable to the Commissioner, in his sole discretion.

“Tax Credit Member” shall mean initially, BMH-I, LLC, as the limited partner of the Rental LLC, or such other tax credit member reasonably acceptable to the City.

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on December 31, 2024 (such date being the last day of the calendar year in which taxes levied during the 23rd year of the life of the Redevelopment Area are collected).

“TIF Adoption Ordinance” shall have the meaning set forth in Recital C.

“TIF Bonds” shall have the meaning given in Recital F.

“TIF Bond Ordinance” shall have the meaning given in Recital F.

“TIF Bond Proceeds” shall have the meaning given in Recital F.

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

“TIF-Funded Improvements” shall mean those improvements and 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 from either the proceeds of the TIF Loan and/or Available Incremental Taxes (to the extent not pledged to make payments with respect to the City Note), subject to the terms of this Agreement.

“TIF Lender” shall mean one or more financial institutions or entities acceptable to the Commissioner that commits to provide financing for the Project as more fully set forth in the TIF Loan Agreement, such financing to be secured by, among other things, the Available Incremental Taxes deposited in the TIF Fund, and to be evidenced by the City Note. “TIF Lender” shall also include the Community Reinvestment Fund, Inc., as purchaser of the City Note and agent for other TIF Lenders.

“TIF Loan” shall mean the financing provided by the TIF Lender to the City for reimbursement of certain TIF-Funded Improvements as described in Exhibit H attached hereto.

“TIF Loan Agreement(s)” shall mean that certain Master Note Purchase Agreement dated as of December 8, 2003, between the TIF Lenders and the City and any corresponding project specific loan agreement between the TIF Lenders and the City pursuant to which the TIF Lender agrees to loan funds to the City.

“TIF Ordinances” shall have the meaning set forth in Recital C.

“Title Company” shall mean Greater Illinois Title Company.

“WARN Act” shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.), as amended and supplemented from time to time.

“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 shall: (i) commence construction of the Project no later than December 31, 2004; (ii) complete construction of the Project no later than December 31, 2006; (iii) use commercially reasonable efforts to convey the final unit in the Project no later than June 30, 2007; in each instance subject to the provisions of Section 18.17 hereof and, in the case of clause (iii) market conditions that may delay the sale of For Sale Units. The Project shall be constructed in accordance with the Plans and Specifications for the Project.

3.02 Plans and Specifications. The Plans and Specifications shall comply with the requirements of this Agreement and all applicable state and local laws, ordinances and regulations. As of the date hereof, the Developer Parties have delivered to DOH, and DOH has approved, the Plans and Specifications, a list of which is attached hereto as Exhibit Q. The Developer Parties shall submit all necessary documents to the City’s Department of Construction and Permits, 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. (a) The Developer has furnished to DOH, and DOH has approved, a Project Budget showing total costs of \$30,870,827. The Developer hereby certifies to the City that (i) the sources of equity and Lender Financing described in Exhibit H are available and shall be sufficient to complete the Project, and (ii) the Project Budget is true, correct and complete in all material respects.

(b) The Developer shall promptly deliver to DOH certified copies of any Change Orders with respect to the applicable portion of 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 DOH 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 to DOH for DOH’s prior written approval: (a) a 5% or more reduction in the

3.08 Inspecting Agent or Architect. The Architect shall act as the inspecting architect for the City, at the Developer Parties' expense, for the Project. The Architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DOH. The Architect shall also provide the following specific documents to DOH:

(a) at the time of execution of this Agreement, an original executed Architect's Opening Certificate in the form attached hereto as Exhibit P-1;

(b) upon completion of the Project, an original executed Architect's Completion Certificate in the form attached hereto as Exhibit P-2.

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. DOH 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 in part 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 Parties, 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, subject to any waivers expressly provided for in the ordinance passed by City Council authorizing the execution of this Agreement.

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, subject to any waivers expressly provided for in the ordinance passed by City Council authorizing the execution of this Agreement.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$30,870,827, to be applied in the manner set forth in the Project Budget and funded from the sources identified in Exhibit H.

4.02 City Funds. (a) Uses of City Funds. Available Incremental Taxes in the TIF Fund shall only be used to repay the TIF Lender for TIF Loan proceeds drawn down by and disbursed to the City, and interest due thereon, and other TIF-eligible costs payable under the TIF Loan Agreement. TIF Loan proceeds may only be used to pay or reimburse (i) the Developer for costs of TIF-Funded Improvements, and (ii) the TIF Lenders, any guarantor of the TIF Loan and other applicable parties for costs of TIF-Funded Improvements related to such financing commitments. Exhibit E sets forth, by line item, the TIF-Funded Improvements for the Project to be funded through the Construction Loan Escrow, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.02(b) and 4.03(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DOH 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 4.02 and Section 5 hereof and the terms and conditions of the TIF Loan Agreement, the City hereby agrees to issue the City Note to the TIF Lender on the Closing Date to evidence borrowings from the TIF Lender for the uses described in Section 4.02(a). The maximum original principal amount of the City Note shall be an amount not to exceed \$2,611,649.31. The actual amount due and outstanding shall be the amount disbursed from time to time by the TIF Lender to the City under the TIF Loan Agreement, plus any accrued interest thereon, minus any payments made with respect thereto. Disbursements made to pay or reimburse the Developer for costs of TIF-Funded Improvements shall be made directly into the Construction Loan Escrow as described in Section 4.03(d). Disbursements made to pay or reimburse the TIF Lenders, any guarantor of the TIF Loan or other applicable parties for certain TIF-eligible financing costs shall be made outside such Construction Loan Escrow. The City Note shall be a disbursing, non-revolving note. Payments under the City Note are non-recourse to the City, are payable only from the Available Incremental Taxes deposited into the TIF Fund and the other mandatory pledged revenues described in the City Note, and are subject to the amount of Available Incremental Taxes deposited into the TIF Fund and other mandatory pledged revenues being sufficient for such payments.

(c) Issuance of City Note to TIF Lender. The Developer agrees that the City Note shall be directly issued to the TIF Lender. The Developer shall cooperate with the City in the City's preparation of such borrowing request forms and draw request documents as the TIF Lender may require under the TIF Loan Agreement in order to permit the City to draw down the proceeds of the TIF Loan under the TIF Loan Agreement for deposit into the Construction Loan Escrow Account. The Developer acknowledges that it has no right to receive any payments made by the City with respect to the City Note and the Developer shall have no right to contest any such payments. Such payments shall be made in accordance with this Agreement, the TIF Loan Agreement, the City Note and the Program Ordinance until the City Note is paid in full, or the City's obligation to make further payments has terminated.

(d) Funding by TIF Lender. Prior to the date hereof, the City has passed the Program

Ordinance. The Program Ordinance authorizes the City's borrowing under the TIF Loan Agreement, the City's issuance of the City Note (defined as the "Revenue Note" in the Program Ordinance) to the TIF Lender and pledge of certain revenues in repayment thereof, and the City's entry into certain guaranty agreements with the guarantor of the TIF Loan. Pursuant to the terms of the TIF Loan Agreement, the City shall cause the TIF Lender to fund directly into the Construction Loan Escrow, from time to time, the TIF Lender's Pro Rata Share of each draw request for Project costs. In no event, however, shall the TIF Lender's Pro Rata Share be an amount greater than the cost of the TIF-Funded Improvement costs included in such draw request, except as provided for in the Pro Rata Share definition. The City, in submitting borrowing requests under the TIF Loan Agreement, shall comply with the limitations set forth in this Section 4.03(d).

(e)TIF Bonds. The Commissioner of DOH agrees that upon the issuance of a Certificate pursuant to Section 7.01, it will, upon the request of the TIF Lender (or any holder of the City Note) or any guarantor of the TIF Loan, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the Comptroller, is marketable under the then current market conditions; provided, however, that if, in the opinion of the Comptroller, there is an insufficient market for such TIF Bonds, or the net proceeds from such issuance would reasonably be expected to be less than adequate to fully repay the City Note and all costs of issuance (including, but not limited to bond counsel fees, underwriters' fees and consultants' fees), or if the issuance of such TIF Bonds would adversely affect the City's credit rating or in any other way adversely affect City finances, such official will not be required to recommend approval of such ordinance(s). The Developer Parties will cooperate with the City in the issuance of TIF Bonds, as provided in Section 8.05 hereof.

4.03 Requisition Form. Prior to each July 1 and January 1 (or such other date as the parties may agree to), beginning in 2005 and continuing throughout the earlier of (i) maturity date for the City Note, or (ii) the date that City Note has been repaid in full, the TIF Lender (and, if applicable, any guarantor of the TIF Loan) shall have the right to submit to DOH a Requisition Form requesting payment under the City Note. The Developer shall assist the TIF Lender (and, if applicable, any guarantor of the TIF Loan) by providing any supporting documentation reasonably necessary to enable the City to process such Requisition Form, and, if requested by DOH, shall meet with DOH and/or the TIF Lender (and, if applicable, any guarantor of the TIF Loan) to discuss such supporting documentation.

4.04 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 DOH, in its sole discretion, as satisfying costs covered in the Project Budget and set forth in the initial owner's sworn statement shall be considered previously contributed Equity or costs reimbursable from Lender Financing hereunder (the "Prior Expenditures"). DOH shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure.

(b) City Fee. [INTENTIONALLY OMITTED]

(c) Allocation Among Line Items. Disbursements by the TIF Lender for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with no transfers of costs and expenses from one line item to another, without the prior written consent of DOH, which shall not be unreasonably withheld.

4.05 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.02 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, the TIF Lenders and any guarantor of the TIF Loan harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.06 Preconditions of Disbursement. Prior to each disbursement of TIF Loan proceeds, the Developer shall assist the City in submitting documentation regarding the applicable expenditures to the TIF Lender sufficient to induce the TIF Lender to make such disbursement. In connection with each such disbursement, the City shall require the Developer to certify that:

(a) the total amount of the request represents the actual cost of the amount payable to (or previously paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees, for costs of TIF-Funded Improvements;

(b) all amounts of TIF Loan proceeds previously funded into the Construction Loan Escrow have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials to be funded from the TIF Loan proceeds to be disbursed pursuant to the current Requisition Form, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties in this Agreement are true and correct and the covenants contained herein are being complied with;

(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 which have not been cured except for the Permitted Liens and liens being contested in accordance with Sections 8.15 or 8.19;

(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 and is attributable to the acts or omissions of the Developer 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 Lender Financing; (ii) the undisbursed Equity and (iii) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, as determined by the Senior Lender, the Developer shall, within 10 days after a written request by the City, deposit in the Construction Loan Escrow (or as directed by the Senior Lender), cash in an amount that will place the Project In Balance. If the City determines that the Project is not In Balance and the Senior Lender disagrees with such determination, the City shall not have the right to require the Developer to deposit additional funds but shall have the right to discontinue deposits of TIF Loan proceeds into the Construction Loan Escrow.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may reasonably require in order to verify that the matters certified to above 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 that are reasonably within the Developer’s duty and control and are preconditions to the City’s ability to draw down the proceeds of the TIF Loan, including but not limited to requirements set forth in the TIF Loan Agreement, the Bond Ordinance, if any, the TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Construction Loan Escrow Agreement.

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

SECTION 5. CONDITIONS PRECEDENT

The following conditions must be complied with to the City’s satisfaction on or prior to the Closing Date:

5.01 Project Budget. The Developer Parties have submitted to DOH, and DOH has approved, the Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Plans and Specifications. The Developer Parties have submitted to DOH, and DOH has approved, the Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

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

5.04 Financing. The Developer Parties have furnished proof reasonably acceptable to the City that they have Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and the proceeds thereof are available to be drawn upon in accordance with the terms of such financing documents. The City has approved the form of the Construction Loan Escrow Agreement. Any mortgage liens against the Property in existence at the Closing Date have been subordinated to the covenants that run with the land set forth in Section 7.02 pursuant to a Subordination Agreement, in a form acceptable to the City, which shall be recorded on or prior to the Closing Date at the expense of the Developer Parties, the practical effect of which shall be to insure that such covenants survive the foreclosure of any mortgage lien and continue to encumber the Property notwithstanding any such foreclosure.

5.05 Acquisition and Title. The Developer Parties have furnished the City with a copy of the Owner's Title Policy. The Owner's Title Policy shall contain only those title exceptions listed as Permitted Liens on Exhibit M hereto and evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Owner's Title Policy shall contain such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.0 with parking, with a commitment to issue a 3.1 indorsement upon construction of the listed plans and specifications), contiguity, location, access and survey. The Developer has provided to DOH copies of all easements and encumbrances of record.

5.06 Evidence of Clean Title. The Developer Parties, at their expense, have provided the City with searches under the Developer Parties' names and the names of their direct and indirect owners (exclusive of private individuals) as follows:

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

showing no liens or claims against any such entities, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens and such other liens as may be acceptable to DOH, in its sole discretion.

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 DOH.

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel in a form reasonably acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. The Developer Parties have provided evidence satisfactory to DOH in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.04(a) hereof.

5.11 Financial Statements. The Developer Parties has provided Financial Statements to DOH for its most recent fiscal year, and interim financial statements for the fiscal year in which the Closing Date occurs.

5.12 Documentation. The Developer has provided documentation to DOH, reasonably satisfactory in form and substance to DOH, with respect to current employment matters and its ability to satisfy the Section 10 requirements.

5.13 Environmental. DOH has been provided with copies of any phase I and phase II environmental audits and other environmental reports completed with respect to the Property in addition to those prepared by the City Department of Environment, the CHA, and any consultant retained by either the City or the CHA. The Developer Parties have used reasonable efforts to provide the City with letters from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such additional audits, if any. The City shall have received a copy of the application enrolling the Property in the SRP and a copy of the Site Investigation Report, the Remediation Objectives Report and the Remedial Action Plan (i.e., the first three reports prepared and approved in the SRP process), along with the form of NFRL to be issued by the IEPA upon completion of the Project.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer and the Rental LLC has each provided a copy of its Articles of Organization containing the original certification of the Illinois Secretary of State; a manager's or managing member's certificate in such form and substance as the Corporation Counsel may require; evidence of consent of members; a certified copy of the operating agreement; and such other limited liability documentation as the City may reasonably request. The managing member of the Developer and the Rental LLC shall each have provided comparable documentation. At the request of the Corporation Counsel, comparable documentation shall also be provided for the other direct and indirect owners of the Developer Parties. All required parties shall also have 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 Parties have provided to Corporation Counsel and DOH, a description of all pending or threatened litigation or administrative proceedings involving the Developer Parties, 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.

5.16 Ground Lease. The Developer shall have provided DOH with copies of the Ground Lease.

5.17 TIF Lender Conditions Precedent. The City shall have satisfied all conditions precedent to the funding of the TIF Loan and the issuance of any guaranty with respect to the TIF Loan, including, without limitation, the payment of any required origination and legal fees. The Developer shall provide the City with such documentation as the City may reasonably request in order for the City to satisfy any such conditions precedent established by the TIF Lender and any guarantor of the TIF Loan.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) The City acknowledges that the Developer has previously selected the General Contractor as the general contractor for the Project. Prior to entering into an agreement with any subcontractor for construction of the Project, the Developer shall cause the General Contractor to solicit bids from qualified contractors eligible to do business with, the City of Chicago, and shall, upon DOH's request, submit all bids received to DOH for its inspection and written approval. Excluding any work directly performed by the General Contractor, the Developer shall cause the General Contractor to select the subcontractor submitting the lowest responsible bid, as determined by the Developer, who can complete such work in a timely manner. If any subcontractor submitting other than the lowest responsible bid, as determined by the Developer, is selected, the difference between the lowest responsible bid and the bid selected may not be reimbursed from TIF Loan proceeds. The Developer shall submit copies of the Construction Contract to DOH 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 DOH 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 DOH and all applicable, requisite permits have been obtained.

(b) The fee of the General Contractor shall not exceed 10% of the total amount of the Construction Contract.

6.02 Construction Contract. Prior to the execution thereof, the Developer has delivered to DOH a copy of the Construction Contract with the General Contractor and DOH has approved such Construction Contract. Within ten (10) business days after execution of any modifications,

amendments or supplements thereto, the Developer shall deliver to DOH and Corporation Counsel a certified copy of such modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a similar bond form. 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 DOH 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 satisfaction of (a) the redevelopment requirements in Section 8.02, (b) written determination by the City's monitoring and compliance unit that the Developer has satisfied all Section 8.09 and Section 10 requirements (or, in the case of prevailing wage or City residency violations, paid all amounts due), and upon the Developer's written request, DOH shall issue to the Developer a certificate in recordable form (the "Certificate") certifying that the Developer has fulfilled its obligation to complete construction and initial development of the Project in accordance with the terms of this Agreement.

(b) DOH shall respond to the Developer's written request for a certificate within thirty (30) days by issuing either the 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 and the City thereafter shall issue the Certificate within thirty (30) days or send the Developer a written statement which details the way in which the Project does not conform to the Agreement or has not been satisfactorily completed.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project and the matters specified in Section 7.01(a) above, and upon its issuance, the City will certify that the terms of the Agreement specifically related to 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, 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 second following sentence) during the Term of the Agreement. However, upon the issuance of the Certificate, the covenants set forth in Section 8.02 and Section 8.20(c) shall be fulfilled and such covenant shall no longer run with the land (except to the extent that ongoing affordability of the Affordable For Sale Units is further reimposed pursuant to City Recapture Mortgages executed pursuant to Section 8.20(c)). 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 (subject, however, to the possible continued payment of funds to the TIF Lender pursuant to Section 15.02);

(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; and

(c) if a Reimbursement Event has occurred, the right to seek reimbursement of any previously paid City Funds from the Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DOH 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.

7.05 Release of Agreement as to Conveyed For Sale Units. DOH shall provide the Developer, at the Developer's written request delivered from time to time in connection with the sale

of the For Sale Units in accordance with the terms of this Agreement, with a written partial release in recordable form stating this Agreement is no longer an encumbrance against any such units so as to enable the Developer to deliver good and marketable title to such units.

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

8.01 General. The Developer and Rental LLC represent, warrant and covenant as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder as follows. Representations, warranties and covenants denoted (Developer Only) or (RLLC Only) shall be deemed to have been made only by the Developer or the Rental LLC, as applicable; otherwise, they shall be deemed to apply to both.

(a) it (i) is and shall be during its ownership and tenancy of the Property, as applicable, an Illinois limited liability company duly organized, validly existing, qualified to do business in the State of Illinois; (ii) has the right, power and authority to enter into, execute, deliver and perform this Agreement; and (iii) has been duly authorized by all necessary limited liability company action to execute, deliver and perform its obligations under this Agreement, which execution, delivery and performance 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 it now a party or by which it may become bound;

(b) 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;

(c) unless otherwise expressly permitted under Sections 8.01(i) or (j), (i) the Developer shall acquire and shall maintain a good and merchantable 99 year leasehold interest in the Property, and fee simple title to the Building (Developer Only), and (ii) the Rental LLC, upon acquiring the Rental Units, shall maintain good and merchantable fee simple title to the improvements constituting the

Rental Units (RLLC Only), in each case free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges being contested in good faith pursuant to Section 8.15 hereof);

(d) it is solvent and, during such time as it is the owner of any portion of the Property or any For Sale Unit or Rental Unit, shall remain able to pay its debts as they mature and, upon any permitted transfer of its ownership interest, shall thereafter maintain such reserves as may be required under applicable law for any remaining liability under this Agreement and other applicable agreements (Developer and RLLC); during the construction period, the Developer shall keep the Project In Balance (Developer Only);

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

(f) the Developer has and shall maintain (or shall, as contemplated in the due course of construction of the Project, obtain and thereafter maintain) all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project (Developer Only);

(g) it 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 it is a party or by which it is bound;

(h) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present its assets, liabilities, results of operations and financial condition, and there has been no material adverse change in the assets, liabilities, results of its operations or financial condition since the date of the its most recent Financial Statements;

(i) until the Certificate has been issued, the Developer shall not do any of the following without the prior written consent of DOH, which consent shall be in DOH's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) except as contemplated by Recital D and Section 8.02, sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property or any improvements or fixtures now or hereafter located thereon; (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, except under the Lender Financing; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition (Developer Only);

(j) until the Certificate has been issued, the Developer shall not, without the prior written consent of the Commissioner of DOH, which consent shall be in DOH's sole discretion, allow the

existence of any liens against the Property or any improvements or fixtures now or hereafter located thereon other than the Permitted Liens and liens being contested in accordance with Sections 8.15 or 8.19; or incur any indebtedness, secured or to be secured by any such real or personal property, except Lender Financing disclosed in the Project Budget (Developer Only);

(k) 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 relating to the Project in violation of Chapter 2-156-120 of the Municipal Code of the City.

8.02 Covenant to Redevelop. Upon DOH's approval of the Project Budget, the Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall complete the Project in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Plans and Specifications, Project Budget and all amendments thereto, and all applicable federal, state and local laws, ordinances, rules, regulations, executive orders and codes. Specifically, the Developer shall (Developer Only):

- (a) construct the Building, the related improvements, and the Infrastructure Improvements (to the extent such construction is identified on Exhibit K as being the responsibility of the Developer);
- (b) finance the construction of the Project in accordance with Recital D using the Lender Financing and equity sources described in Exhibit H;
- (c) cause all applicable Lender Financing documents and the Recorded Affordability Documents to be recorded and amended, if necessary, in accordance with Recital D;
- (d) sell the Rental Units to the Rental LLC for the purchase price set forth in Exhibit D;
- (e) sell the Affordable For Sale Units to Qualified Households at an Affordable Price (as such terms are defined in Exhibit B to the City Recapture Mortgage), cause each such buyer to execute a City Recapture Mortgage, and cause such City Recapture Mortgage to be recorded at the time of the closing of such sale;
- (f) sell the other For Sale Units to private purchasers at market rates and, if applicable, share the net sales proceeds of such sales and from the sale of Affordable For Sale Units in accordance with the profit sharing guidelines attached as Exhibit J hereto;
- (g) cause its General Contractor (or, if such work is subcontracted or handled by a third party, such subcontractor or third party) to complete such work and provide such

cooperation with the City and CHA as may be necessary to cover one or more NFRLs as may necessary or appropriate to cover the entire Property.

The covenants set forth in this Section shall run with the land and be binding upon any transferee of the Property, or a portion thereof, unless terminated in whole or in part by the City, acting through DOH, pursuant to a written instrument executed pursuant to Section 7.02 and recorded against the Property, or any portion thereof.

8.03 Redevelopment Plan. The Project is and shall be in compliance with all of the terms of the Redevelopment Plan. (Developer Only)

8.04 Use of City Funds. TIF Loan proceeds disbursed into the Construction Loan Escrow 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. (Developer Only)

8.05 Other Bonds. The Developer and the Rental LLC 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 of the TIF-Funded Improvements and City Note; provided, however, that any such amendments shall not have a material adverse effect on the Developer, the Rental LLC or the Project. The Developer and the Rental LLC shall, at their 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. The Developer shall have no liability to the City with respect to any disclosures made in connection with any such issuance of bonds that are not actionable under applicable securities laws unless such disclosures are based on factual information provided by the Developer that is determined to be false or misleading.

8.06 Job Creation and Retention. [INTENTIONALLY OMITTED]

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 70% 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 DOH which shall outline, to DOH's satisfaction, the manner in which the Developer shall correct any shortfall. (Developer Only)

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

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. (Developer Only)

8.10 Arms-Length Transactions. Unless DOH has given its prior written consent with respect thereto, and except as disclosed in the Project Budget, no Affiliate of the Developer or the Rental LLC may receive any payment, directly or indirectly, in payment for work done, services provided or materials supplied in connection with the Project. The Developer and the Rental LLC shall provide information with respect any entity or person to receive payment directly or indirectly (whether through payment to the Affiliate by the Developer or the Rental LLC and reimbursement to the Developer or Rental LLC for such costs using City Funds, or otherwise), upon DOH'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 and the Rental LLC each 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 such party 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 Rental LLC's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. Neither the Developer's nor the Rental LLC's counsel has any direct or indirect financial ownership interest in the Developer, the Rental LLC, the Property or any other aspect of the Project.

8.13 Financial Statements. The Developer and Rental LLC shall obtain and provide to DOH Financial Statements for its fiscal year ended December 31, 2004 and each fiscal year thereafter for the Term of the Agreement (or for so long as the Developer and the Rental LLC, respectively, owns an interest in the Property).

8.14 Insurance. The Developer, at its own expense, shall comply with all provisions of Section 12 hereof during the construction period. (Developer Only) The Developer and the Rental LLC shall comply (or cause the Condominium Association to comply) with all provisions of Section 12 until the Condominium Association has been turned over in accordance with the Condominium Declaration and as required by the Condominium Act, and the Condominium Association shall thereafter comply with such insurance provisions.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, and subject to subsection (b) below, 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 DOH, within thirty (30) days of DOH's request, official receipts from the appropriate entity, or other proof satisfactory to DOH, 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) to furnish a good and sufficient bond or other security satisfactory to DOH in such form and amounts as DOH 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.

(c) Applicability After Conversion to Condominium Units. This Section 8.15 shall not apply to Non-Governmental Charges payable by, or contestable by other owners of individual condominium units after such time as such unit owners, under the terms of their purchase contracts and/or the condominium declaration, become responsible for the payment of Non-Governmental Charges attributable to their respective units, but shall apply to Non-Governmental Charges giving rise assessed or imposed as a lien or otherwise against common elements and payable by the Condominium Association, or all of its members.

8.16 Developer's Liabilities. Neither the Developer nor the Rental LLC shall enter into any transaction not contemplated hereunder 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 such party to any other person or entity. The Developer and the Rental LLC shall immediately notify DOH of any and all events or actions which may materially affect such party'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. 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 (taking into account the applicability of any NFRLs applicable to the Property, or any portion thereof). Upon the City's request, the Developer (and, after its acquisition of the Rental Units, the Rental LLC) 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. 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 DOH of the Developer's intent to contest or object to a Governmental Charge and, unless,

(A) the Developer shall demonstrate to DOH's reasonable satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or stay enforcement or transfer or foreclosure 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

(B) the Developer shall furnish a good and sufficient bond or other security satisfactory to DOH in such form and amounts as DOH 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 or contest any Governmental Charge or to obtain discharge of the same, the Developer shall advise DOH thereof in writing, at which time DOH may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DOH's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DOH deems advisable. All sums so paid by DOH, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DOH 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. [INTENTIONALLY DELETED]

(d) Applicability After Conversion to Condominium Units. The provisions of Section 8.19(a) and (b) shall apply to the Rental LLC upon and after its purchase of the Rental Units but shall not apply to Governmental Charges payable by, or contestable by, other individual owners of individual condominium units after such time as such unit owners, under the terms of their purchase contracts and/or the condominium declaration, become responsible for the payment of Governmental Charges attributable to their respective units (i.e., the failure of such an individual unit owner to pay its taxes shall not give rise to a default under Section 18.19(a) or (b)).

8.20 Affordability Requirements. (a) Rental Units. The affordability requirements applicable to the Rental Units, as set forth in the Recorded Affordability Documents, shall be covenants running with the land and shall survive any foreclosure of any portion of the Property or any leasehold interest therein for the applicable affordability periods set forth in such Recorded Affordability Documents.

(b) Low and Very Low-Income Households. Without limiting the generality of Section 8.20(a), all 34 Rental Units will be Public Housing Rental Units and will, until the expiration of the life of the Redevelopment Area, be occupied and rented to Low and Very Low Income Households. The Developer and Rental LLC acknowledge and agree that, because 50% of the cost of the construction of such 34 Rental Units is a TIF-Funded Improvement cost reimbursed under this Agreement, such covenant is required under Section 5/11-74.4-3(q) of the Act. The Rental LLC shall have the responsibility for annually documenting for DOH the initial occupancy of such 34 Rental Units by Low and Very Low Income Households (and any new occupancy of such Rental Units after such initial occupants, or any successor occupants, vacate such units).

(c) Affordable For Sale Units. The Developer shall sell each Affordable For Sale Unit to an income-qualified household for the applicable affordable price set forth on Exhibit Q. In connection with the marketing of each Affordable For Sale Unit, the Developer shall attach as an exhibit to each purchase contract the terms of the City Recapture Mortgage and shall state in such purchase contract that the purchaser will be obligated to execute such junior mortgage at the time of closing and comply with its terms thereafter. At each closing of the sale of an Affordable For Sale Unit, the Developer shall cause such fully executed and acknowledged junior mortgage to be recorded as a junior mortgage lien against the purchaser's Affordable For Sale Unit. Subject to the Developer's compliance with this Section 8.20(c), upon the sale of such Affordable For Sale Unit, the Developer shall thereafter have no liability with respect to any violations of the City Recapture Mortgage.

8.21 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

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 DOH 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 DOH, 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 DOH, 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 The Developer's 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 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 Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Project Budget (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.

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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

c. 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 Section 10.03. 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.

d. The Developer shall deliver quarterly reports to DOH 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 DOH in determining the Developer's compliance with this MBE/WBE commitment. DOH 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 Section 14 of this 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.

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 Section 2-92-540, Municipal Code of Chicago.

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 Section 2-92-450, Municipal Code of Chicago.

g. 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 DOH with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DOH its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DOH. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DOH, 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 DOH, 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. 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 and the Rental LLC each hereby represents and warrants to the City that it has reviewed and/or conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws (taking into account the anticipated issuance and applicability of any NFRLs issued with respect to the Property) and this Agreement and all Exhibits attached hereto, the Plans and Specifications and all amendments thereto and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer and the Rental LLC each jointly and severally agrees to indemnify, defend and hold the City, any TIF Lender, and any guarantor of the TIF Loan 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, such TIF Lender or such TIF guarantor 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 Rental LLC 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, such TIF Lender or such guarantor of the TIF Loan or the Developer under any Environmental Laws relating to the Property. This Section shall not be construed to require the Developer to assume any of the obligations of the CHA with respect to remediation work required to be performed by the CHA, if any, and the Developer may exercise such rights and remedies it may have to enforce the CHA's performance of any such work, provided, however, that this sentence shall not serve to limit the Developer's indemnification obligations hereunder.

SECTION 12. INSURANCE

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

(a) Prior to Execution and Delivery of this Agreement and Throughout the Period of the Developer's Ownership

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed by

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

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than \$1,000,000. Coverage shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure,

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

(c) After Completion of Construction

(i) All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago, the TIF Lender and any guarantor of the TIF Loan shall be named as additional insureds and loss payees.

(ii) Commercial General Liability insurance as described above in subparagraph (b)(ii). The City of Chicago, the TIF Lender and any guarantor of the TIF Loan are to be named an additional insureds on a primary, non-contributory basis.

The Developer shall cause the insurance requirements in this subparagraph (c) to be incorporated in the applicable condominium declarations.

(d) Other Requirements

The Developer and the Rental LLC (and, upon request, any condominium association) will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The receipt of any certificate does not constitute agreement by the City, the TIF Lender or any guarantor of the TIF Loan 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, the TIF Lender or any guarantor of the TIF Loan to obtain certificates or other insurance evidence required hereunder shall not be deemed to be a waiver by any such interested party. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer (or any condominium association) of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

The insurance shall provide for 30 days prior written notice to be given to the City, the TIF

Lender and any guarantor of the TIF Loan in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer (or, if applicable, the condominium association).

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives, and against any TIF Lender and guarantor of the TIF Loan, and their employees, agents and representatives.

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

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

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

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

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

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

The Rental LLC shall not be required to comply with the provisions of this Section 12 until it becomes the owner of one or more Rental Units. Thereafter, the Rental LLC, and not the Developer, shall comply with the insurance requirements applicable to such Rental Units.

SECTION 13. INDEMNIFICATION

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

(i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement or sales contract for a For Sale Unit; 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, unless such failure is due to a lender's failure to fund its Lender Financing, or the TIF Lender's failure to fund its loan, when such financing is due under the terms of the applicable loan documents; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate of the Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of the 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, the TIF Lender and any guarantor of the TIF Loan at the Developer's expense during business hours upon reasonable prior notice. 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, the TIF Lender and any guarantor of the TIF Loan, 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 or the Rental LLC to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations under this Agreement or any other agreement relating to the Project;

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

(c) the making or furnishing by the Developer or the Rental LLC to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any other agreement relating to the Project 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, the Rental LLC or for the liquidation or reorganization of either party, or alleging that either party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of either party'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 either party; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within ninety (90) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Developer or the Rental LLC, for any substantial part of either party'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 ninety (90) days after the commencement thereof;

(g) the entry of any judgment or order against the Developer or the Rental LLC in excess of \$100,000 that prevents the fulfillment of any obligation of this Agreement which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution, unless such judgment or order is not final and the Developer has appealed such judgment or order in a timely manner;

(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 (except after sale of the final For Sale Units and the reserving of any statutorily required reserves to cover any post-dissolution liabilities) or the Rental LLC; or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or the Rental LLC which is not dismissed within thirty (30) days, or the indictment of the Developer, Rental LLC for any crime (other than a misdemeanor);or

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. Without limiting the generality of the foregoing, with respect to Events of Defaults prior to the issuance of a Certificate, the City shall be entitled to seek

reimbursement of City Funds from the Developer and, if such Event of Default is attributable to the Rental LLC's default, from the Rental LLC. In addition, the City be entitled to seek reimbursement of City Funds from the Developer and the Rental LLC if a Reimbursement Event has occurred. If an Event of Default attributable to the Developer's acts or omissions occurs after the issuance of a Certificate, in no event shall the City be entitled to exercise remedies against the Rental LLC or the Rental Units previously conveyed to the Rental LLC or against "for sale" units previously conveyed to purchasers. If an Event of Default attributable to the Rental LLC's acts or omissions occurs, in no event shall the City be entitled to exercise remedies against For Sale Units previously conveyed to purchasers.

Notwithstanding the foregoing, the City shall, notwithstanding the occurrence of an Event of Default or anything contained in this Agreement to the contrary, continue to make payments on the City Note to the TIF Lender and to any permitted assignee and holder of the City Note in accordance with the terms of the City Note and the TIF Loan Agreement until the sooner to occur of (a) the City Note's repayment in full, and (b) the maturity date of the City Note. The preceding sentence is for the sole benefit of the TIF Lenders and the guarantor of the TIF Loan and is not intended to limit the City's right to exercise its other remedies under the above paragraph against the Developer and the Rental LLC.

15.03 Curative Period. In the event the Developer or Rental LLC shall fail to perform a monetary covenant which it 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 applicable party 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 or the Rental LLC shall fail to perform a non-monetary covenant which it 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 applicable party (or the non-defaulting Developer Party) 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 applicable party shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. The Rental LLC's Tax Credit Member and (if different) any other provider of the Tax Credit Equity shall have a concurrent cure right with that afforded to the Developer Parties under this Section 15.03 to cure any Event of Default.

15.04 Limitation After Termination of Ownership. The occurrence of an event described in Sections 15.01(e), (f), (g), (i) or (j) with respect to the Developer after such time as it no longer has an ownership interest in any portion of the Property shall not give rise to an Event of Default.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages as of the Closing Date encumbering the Property or any portion thereof are listed on Exhibit M hereto and are referred to hereafter as "Existing Mortgages." Any mortgage hereinafter encumbering the Property or any portion thereof is referred to hereafter as a "New Mortgage." Prior to the issuance of the Certificate pursuant to Section 7.01, no New Mortgage shall be entered into except for mortgages executed in connection with the conversion of a portion of the Property to a condominium form of ownership and the sale of the Rental Units to the Rental LLC and in connection with the sale of condominium units to private purchasers as such mortgages are contemplated under Recital D (such anticipated mortgages, the "Unit Mortgages").

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 succeeds to the Developer's fee simple interest or leasehold interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, in its sole discretion, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer under this Agreement. If not so recognized by the City, such mortgagee or other party shall be entitled to no rights or benefits under this Agreement, but shall be bound by the covenants running with the land specified in Section 7.02.

(b) In the event that any mortgagee or other party shall succeed to the Developer's fee simple interest or leasehold interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage 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 in writing all of the obligations and liabilities of the Developer hereunder, In such event, such party shall have no liability under this Agreement for any Event of Default which accrued prior to such acceptance and the Developer shall remain solely responsible for such matters. If such mortgagee or other party does not accept in writing all of the obligations and liabilities of the Developer hereunder, it shall be bound by covenants running with the land specified in Section 7.02. Such mortgagee shall not itself be obligated to complete construction of the Project but shall at all times hold title subject to such covenants running with the land and neither such mortgagee nor any other successor in title shall construct any improvements other than the Project without amendment to this Agreement and the Residential Planned Development.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal

service; (b) overnight courier, or (c) registered or certified or facsimile mail, return receipt requested.

If to City: City of Chicago
Department of Housing
33 North LaSalle, 2nd Floor
Chicago, Illinois 60604
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
Attention: Deputy Corporation Counsel

and: Department of Finance
City of Chicago
121 North LaSalle Street, Room 501
Chicago, Illinois 60602
Attn: City Comptroller

If to Developer: WHP Tower, LLC
c/o Brinshore Development, LLC
666 Dundee Road, Suite 1102
Northbrook, Illinois 60062
Attention: Richard Sciortino

and: The Michaels Development Company I, L.P.
One East Stow Road
Marlton, New Jersey 08053
Attention: Sinclair Cooper

and: Chicago Reinvestment Fund
One East Superior St, Suite 604
Chicago, Illinois 60611
Attention: Nicholas Shapiro

and: Citibank, F.S.B.
500 W. Madison St, Suite 504
Chicago, Illinois 60661

- and: Piper Rudnick, LLP
203 N. LaSalle St, Suite 1800
Chicago, IL 60601
Attn: Richard Klawiter
- and: Community Reinvestment Fund, Inc.
801 Nicollet Mall, Suite 1800 West
Minneapolis, Minnesota 55402
Attention: Mary Tingerthaler
- and: The MacArthur Foundation
140 S. Dearborn St., Suite 1300
Chicago, Illinois 60603
Attention: General Counsel
- If to Rental Partnership: WHP Tower Rental, LLC
c/o Brinshore Development, LLC
666 Dundee Road, Suite 1102
Northbrook, IL 60062
Attention: Richard Sciortino
- and: The Michaels Development Company I, L.P.
One East Stow Road
Marlton, New Jersey 08053
Attention: Sinclair Cooper
- and to Tax Credit Limited Partner: Chicago Equity Fund
One East Superior Street, Suite 604
Chicago, Illinois 60611
Attention: Nicholas Shapiro

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) shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the business day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (c) shall be deemed received on the date of delivery evidenced by the return receipt.

SECTION 18. MISCELLANEOUS

18.01 Amendment. Except as provided in this Section 18.01, and except for changes or amendments that are otherwise expressly identified as being in the discretion of the

Commissioner, this Agreement may not be materially amended without the written consent of all parties. In addition to consents and discretion expressly identified herein, the Commissioner, in his sole discretion, may amend or otherwise revise: (a) any exhibits containing legal descriptions in order to correct a surveyor's, scrivener's or clerical error in such a legal description, provided that such correction does not have a material effect on any portion of the Project; (b) Exhibit C to adjust unit locations and types; (c) Exhibit D to adjust purchase prices; (d) Exhibit E to adjust allocations between line items or to add new line items permitted under the Plan; (e) Exhibit F to comply with the Act or otherwise, provided such amendments do not materially adversely affect the Developer Parties' rights under this Agreement; (f) Exhibit G to modify such mortgage for the Affordable For Sale Units; (g) Exhibit H to reflect the terms of the final project financing, so long as such financing is not materially inconsistent with that contemplated hereunder; (h) Exhibit J; (i) Exhibits L-1 and L-2 in connection with updated budgets and/or the approval of Change Orders resulting in changes in the Project Budget in accordance with Section 3.05, and Exhibit M to correct inadvertent omissions or permit other minor title encumbrances not in the nature of a lien. Amendments required in clauses (b), (c), (g), (h) and (i) shall also require the Developer's consent.

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, nor any director, officer or employee of the TIF Lender or any affiliate of the TIF Lender or any guarantor of the TIF Loan, 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 and Rental LLC agree 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 with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the City with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City in writing. No delay or omission on the part of the City 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 the City of a provision of this Agreement shall not prejudice or constitute a waiver of the City's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by the City, nor any course of dealing between the parties hereto,

shall constitute a waiver of any the City's rights or of any obligations as to any future transactions.

18.06 Remedies Cumulative. The remedies of the City 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 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 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 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, DOH or the Commissioner, or any matter is to be to the City's, DOH'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, DOH or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner shall at all times be deemed to be acting reasonably if acting consistently with any instructions received from the TIF Lender or any guarantor of the TIF Loan. The Commissioner or other person designated by the Mayor of the City shall act for the City or DOH 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, except that the Developer may collaterally assign its interest in the Redevelopment Agreement to the Senior Lender, if the Senior Lender requires such collateral assignment (it being understood, however, that such collateral assignment would not include any pledge of Available Incremental Taxes or other amounts pledged under the Program Ordinance, such amounts being pledged solely for the benefit of the TIF Lender and any guarantor of the TIF Loan). 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 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 Rental LLC, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the Rental LLC, the City and their respective successors and permitted assigns (as provided herein). **THE TIF LENDER AND ANY GUARANTOR OF THE TIF LOAN, AND SUCH OTHER THIRD PARTIES AS MAY BE INVOLVED IN THE FUNDING OR ADMINISTRATION OF THE TIF LOAN, ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS AGREEMENT, NOT ONLY WITH RESPECT TO THOSE PROVISIONS WHERE SUCH PARTIES ARE EXPRESSLY REFERENCED, BUT WITH RESPECT TO ALL PROVISIONS GRANTING RIGHTS TO THE CITY, PROVIDED, HOWEVER, THAT ONLY THE CITY SHALL BE ENTITLED TO DIRECTLY EXERCISE THE REMEDIES SET FORTH IN SECTION 15.** Except for such intended third party beneficiaries, 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. Except for such intended third party beneficiaries, this Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. For purposes of determining compliance with time periods set forth herein, 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. Such force majeure events shall also include material adverse changes in market conditions that impacts the Developer's ability to sell For Sale Units within the time frames required under Section 3.01 and the CHA's failure to complete any environmental remediation work that is the CHA's responsibility under applicable agreements between the CHA and the Developer, if applicable. 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 and the estimated delay occasioned by such event. 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 reasonable out-of-pocket expenses (and the reasonable out-of-pocket expenses incurred by the TIF Lender and any guarantor of the TIF Loan), including reasonable 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 reasonable attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgement collection services. Developer also will pay any reasonable court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developer and the Rental LLC each acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it 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 and the Rental LLC each 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.

DEVELOPER:

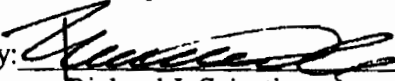
WHP Tower, LLC, an Illinois limited liability company

By: BMH-I, LLC, an Illinois limited liability company,
its managing member

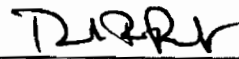
By: Brinshore Holding, LLC, an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
its sole member

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

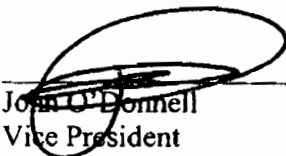
By: 
Richard J. Sciortino
President

By: Brint Development, Inc., an Illinois
corporation, a member

By: 
David B. Brint
President

By: The Michaels Development Company I, L.P.
a New Jersey limited partnership, a member

By: The Michaels Development Holding Company, L.L.C.,
a New Jersey limited liability company, its general partner

By: 
Name: John O'Donnell
Title: Vice President

RENTAL LLC:

WHP Tower Rental, LLC, an Illinois limited liability company

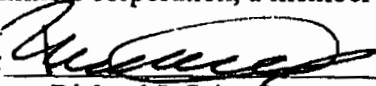
By: WHP Tower Manager, LLC, an Illinois limited liability company,
its managing member

By: BMH-I, LLC, an Illinois limited liability company,
its sole member

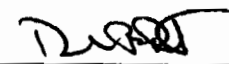
By: Brinshore Holding, LLC, an Illinois limited liability company,
a member

By: Brinshore Development, L.L.C.,
an Illinois limited liability company,
its sole member

By: RJS Real Estate Services, Inc.,
an Illinois corporation, a member

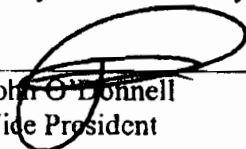
By: 
Richard J. Sciortino
President

By: Brint Development, Inc., an Illinois
corporation, a member

By: 
David B. Brint
President

By: The Michaels Development Company I, L.P.
a New Jersey limited partnership, a member

By: The Michaels Development Holding Company, L.L.C.,
a New Jersey limited liability company, its general partner

By: 
Name: John O'Donnell
Title: Vice President

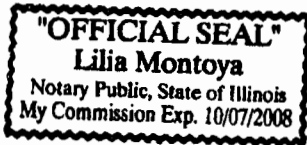
CITY OF CHICAGO, acting by and through its Department of Housing

By: _____
John Markowski
Commissioner

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 Richard J. Sciortino, personally known to me to be the president of RJS Real Estate Services, Inc., a member of Brinshore Development, L.L.C., an Illinois limited liability company, the sole member of Brinshore Holding, LLC, an Illinois limited liability company, a member of BMH-I, LLC, an Illinois limited liability company (the "Managing Member"), the sole managing member of WHP Tower, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and WHP Tower, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of December, 2004



Lilia Montoya
Notary Public

(SEAL)

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 David B. Brint, personally known to me to be the president of Brint Development, Inc., a member of Brinshore Development, L.L.C., an Illinois limited liability company, the sole member of Brinshore Holding, LLC, an Illinois limited liability company, a member of BMH-I, LLC, an Illinois limited liability company (the "Managing Member"), the sole managing member of WHP Tower, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and WHP Tower, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of December, 2009

Lilia Montoya
Notary Public

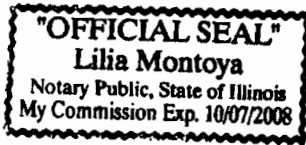


(SEAL)

STATE OF)
) ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that John O'Donnell, personally known to me to be the Vice President of The Michaels Development Holding Company, L.L.C., a New Jersey limited liability company, the general partner of The Michaels Development Company I, L.P., a New Jersey limited partnership, a member of BMH-I, LLC, an Illinois limited liability company (the "Managing Member"), the sole managing member of WHP Tower, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and WHP Tower, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of December, 2004.

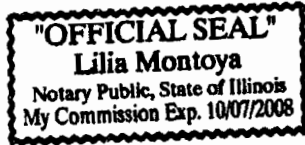


Lilia Montoya
Notary Public

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 Richard J. Sciortino, personally known to me to be the president of RJS Real Estate Services, Inc., a member of Brinshore Development, L.L.C., an Illinois limited liability company, the sole member of Brinshore Holding, LLC, an Illinois limited liability company, a member of BMH-I, LLC, an Illinois limited liability company, the sole member of WHP Tower Manager, LLC, an Illinois limited liability company (the "Managing Member"), the sole managing member of WHP Tower Rental, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the member of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and WHP Tower Rental, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of December, 2004



(SEAL)

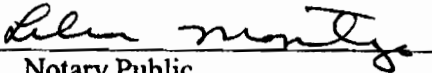
Lilia Montoya
Notary Public

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 David B. Brint, personally known to me to be the president of Brint Development, Inc., a member of Brinshore Development, L.L.C., an Illinois limited liability company, the sole member of Brinshore Holding, LLC, an Illinois limited liability company, a member of BMH-I, LLC, an Illinois limited liability company, the sole member of WHP Tower Manager, LLC, an Illinois limited liability company (the "Managing Member"), the sole managing member of WHP Tower Rental, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the member of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and WHP Tower Rental, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of December, 2004.



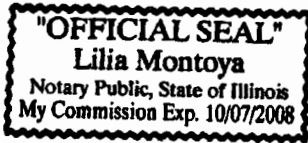


Notary Public

STATE OF)
) ss
COUNTY OF)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that John O'Donnell, personally known to me to be the Vice President of The Michaels Development Holding Company, L.L.C., a New Jersey limited liability company, the general partner of The Michaels Development Company I, L.P., a New Jersey limited partnership, a member of BMH-I, LLC, an Illinois limited liability company, the sole member of WHP Tower Manager, LLC, an Illinois limited liability company (the "Managing Member"), the sole managing member of WHP Tower Rental, 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the member of the Managing Member as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and WHP Tower Rental, LLC for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of December, 2004



Lilia Montoya
Notary Public

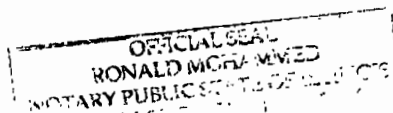
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, RONALD MOHAMMED, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that John Markowski, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago (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 he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 17th day of December, 2004.

Ronald Mohammed
Notary Public

My Commission Expires 6-21-05



LIST OF EXHIBITS

Exhibit A	*Legal Description of Redevelopment Area
Exhibit B	Legal Description of Land
Exhibit C	Description of Unit Types/Locations
Exhibit D	Rental Unit Purchase Price Schedule
Exhibit E	TIF-Funded Improvements
Exhibit F	*Redevelopment Plan
Exhibit G	Form of City Recapture Mortgage
Exhibit H	Description of Project Financing
Exhibit I	*Form of City Note
Exhibit J	For Sale Unit Profit Sharing Guidelines
Exhibit K	Developer Infrastructure Improvements
Exhibit L-1	MBE/WBE Project Budget
Exhibit L-2	Project Budget
Exhibit M	Permitted Liens
Exhibit N	Requisition Form
Exhibit O	*List of Plans and Specifications
Exhibit P-1	Architect's Opening Certificate
Exhibit P-2	Architect's Closing Certificate
Exhibit Q	Affordable For Sale Unit Price Schedule

(An asterisk(*) indicates which exhibits are not recorded.)

EXHIBIT B

LAND LEGAL DESCRIPTION

HORNER – MIDRISE – WESTHAVEN PARK TOWER

LOT 2, IN MAYPOLE RESUBDIVISION, BEING A RESUBDIVISION AND CONSOLIDATION IN BLOCKS 2 AND 3 IN PAGE AND WOOD'S SUBDIVISION OF BLOCKS 50, 63 AND 64, AND IN THE SUBDIVISION OF LOTS 5 AND 6 IN SAID BLOCK 3 IN PAGE AND WOOD'S SUBDIVISION, INCLUDING THE EAST-WEST VACATED ALLEYS AND VACATED WEST MAYPOLE AVENUE, IN THE CANAL TRUSTEES' SUBDIVISION OF SECTION 7, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 17-07-423-015

COMMONLY KNOWN AS: 100 N. Hermitage Avenue, Chicago, Illinois

Westhaven Park

Westhaven Park: 100 N. Hermitage

Type	Unit	Description	Model	SF	
1 9	M	109	2br/2ba	Chicago II	1,318
1 10	P	110	1br/1ba	University II	826
1 11	A	111	1br/1ba	Gallery II	826
1 9	M	209	2br/2ba	Chicago II	1,318
1 10	A	210	1br/1ba	University II	826
1 11	P	211	1br/1ba	Gallery II	826
1 14	M	214	1br/1ba	Park II	739
1 15	P	215	1br/1ba	Plaza II	747
1 16	M	216	2br/2ba	Chicago II	1,318
1 9	M	309	2br/2ba	Chicago II	1,318
1 10	P	310	1br/1ba	University II	826
1 11	M	311	1br/1ba	Gallery II	826
1 12	A	312	2br/2ba	United II	1,226
1 13	A	313	2br/2ba	United II	1,226
1 14	P	314	1br/1ba	Park II	739
1 15	M	315	1br/1ba	Plaza II	796
1 16	M	316	2br/2ba	Chicago II	1,318
1 1	M	401	2br/2ba	Chicago	1,318
1 2	P	402	1br/1ba	Fulton	764
1 3	A	403	2br/2ba	Randolph	1,051
1 4	M	404	1br/1ba	Market	1,040
1 5	P	405	1br/1ba		675
1 6	A	406	1br/1ba		675
1 7	P	407	1br/1ba		678
1 8	M	408	2br/2ba	Chicago	1,318
1 9	M	409	2br/2ba	Chicago	1,318
1 10	M	410	1br/1ba	University	826
1 11	M	411	1br/1ba	Gallery	826
1 12	M	412	2br/2ba	United	1,232
1 13	M	413	2br/2ba	United	1,232
1 14	P	414	1br/1ba	Park	739
1 15	P	415	1br/1ba	Plaza	747
1 16	M	416	2br/2ba	Chicago	1,318
1 1	M	501	2br/2ba	Chicago	1,318
1 2	M	502	1br/1ba	Fulton	764
1 3	M	503	2br/2ba	Randolph	1,051
1 4	M	504	1br/1ba	Market	1,040
1 5	P	505	1br/1ba		675
1 6	P	506	1br/1ba		675
1 7	P	507	1br/1ba		678
1 8	M	508	2br/2ba	Chicago	1,318
1 9	M	509	2br/2ba	Chicago	1,318
1 10	P	510	1br/1ba	University	826
1 11	P	511	1br/1ba	University	826
1 12	M	512	2br/2ba	United	1,232
1 13	M	513	2br/2ba	United	1,232

Westhaven Park

Type	Unit	Description	Model	SF	
1	14	A 514	1br/1ba	Park	739
1	15	M 515	1br/1ba	Hoynes	747
1	16	M 516	2br/2ba	Chicago	1,318
1	1	M 601	2br/2ba	Chicago	1,318
1	2	M 602	1br/1ba	Fulton	764
1	3	M 603	2br/2ba	Randolph	1,051
1	4	M 604	1br/1ba	Market	1,040
1	5	P 605	1br/1ba		675
1	6	P 606	1br/1ba		675
1	7	P 607	1br/1ba		678
1	8	M 608	2br/2ba	Chicago	1,318
1	9	M 609	2br/2ba	Chicago	1,318
1	10	P 610	1br/1ba	University	826
1	11	M 611	1br/1ba	Gallery	826
1	12	M 612	2br/2ba	United	1,232
1	13	M 613	2br/2ba	United	1,232
1	14	P 614	1br/1ba	Park	739
1	15	M 615	1br/1ba	Plaza	747
1	16	M 616	2br/2ba	Chicago	1,318
1	1	M 701	2br/2ba	Chicago	1,318
1	2	M 702	1br/1ba	Fulton	764
1	3	M 703	2br/2ba	Randolph	1,051
1	4	M 704	1br/1ba	Market	1,040
1	5	P 705	1br/1ba		675
1	6	P 706	1br/1ba		675
1	7	P 707	1br/1ba		678
1	8	M 708	2br/2ba	Chicago	1,318
1	9	M 709	2br/2ba	Chicago	1,318
1	10	P 710	1br/1ba	University	826
1	11	M 711	1br/1ba	Gallery	826
1	12	M 712	2br/2ba	United	1,232
1	13	M 713	2br/2ba	United	1,232
1	14	M 714	1br/1ba	Park	739
1	15	P 715	1br/1ba	Plaza	747
1	16	M 716	2br/2ba	Chicago	1,318
1	1	M 801	2br/2ba	Chicago	1,318
1	2	M 802	1br/1ba	Fulton	764
1	3	M 803	2br/2ba	Randolph	1,051
1	4	M 804	1br/1ba	Market	1,040
1	5	P 805	1br/1ba		675
1	6	P 806	1br/1ba		675
1	7	P 807	1br/1ba		678
1	8	M 808	2br/2ba	Chicago	1,318
1	9	M 809	2br/2ba	Chicago	1,318
1	10	P 810	1br/1ba	University	826
1	11	M 811	1br/1ba	Gallery	826
1	12	M 812	2br/2ba	United	1,232

Westhaven Park

Type	Unit	Description	Model	SF
13	M 813	2br/2ba	United	1,232
14	M 814	1br/1ba	Park	739
15	P 815	1br/1ba	Plaza	747
16	M 816	2br/2ba	Chicago	1,318
1	M 901	2br/2ba	Chicago	1,318
2	P 902	1br/1ba	Fulton	764
3	M 903	2br/2ba	Randolph	1,051
4	M 904	1br/1ba	Market	1,040
5	P 905	1br/1ba		675
6	P 906	1br/1ba		675
7	P 907	1br/1ba		678
8	M 908	2br/2ba	Chicago	1,318
9	M 909	2br/2ba	Chicago	1,318
10	M 910	1br/1ba	University	826
11	M 911	1br/1ba	Gallery	826
12	M 912	2br/2ba	United	1,232
13	M 913	2br/2ba	United	1,232
14	M 914	1br/1ba	Park	739
15	M 915	1br/1ba	Plaza	747
16	M 916	2br/2ba	Chicago	1,318
113	Parking	141 spaces (100 to be sold)		

EXHIBIT D

RENTAL UNIT PURCHASE PRICE SCHEDULE

All of the 34 Rental Units (also referred to as the Public Housing Rental Units) will be purchased in a single transaction by the Rental LLC for an estimated purchase price of \$7,754,050.

EXHIBIT E**TIF-FUNDED IMPROVEMENTS**

<u>Category</u>	<u>Amount</u>
Cost of Studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan (65 ILCS 5/11-74.4-3(q)(1))	\$20,900
Property assembly costs, including, but not limited to, acquisition of land, demolition of buildings, site preparation, site improvements that serve as an engineered barrier and the cleaning and grading of land (65 ILCS 5/11-74.4-3(q)(2))	\$550,385
50% of the cost of construction of new housing units to be occupied by low-income households (65 ILCS 5/11-74.4-3(q)(11)(F))	\$1,685,720
TOTAL:	\$2,257,012

The Commissioner shall have authority to consent to adjustments between the line items set forth above and to consent to additional TIF-Funded Improvement redevelopment project costs within other categories authorized under the Act.

EXHIBIT G
CITY RECAPTURE MORTGAGE

This instrument prepared by
and after recording return to:

Crystal S. Maher, Esq.
Department of Law
City of Chicago
Room 600
121 North LaSalle Street
Chicago, Illinois 60602

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESTRICTIVE COVENANTS**

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS (this "Mortgage") is made as of this ___ day of _____, 200__ from _____ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the "City" or "Mortgagee").

RECITALS

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller (i) that certain real property legally described on Exhibit A attached hereto and a single family home or townhome located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the "Home") (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as

encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and/or the City's TIF Affordability Guidelines and the requirements of Chapter 2-44-090 of the Municipal Code; and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Qualified Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties,

interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable pursuant to this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in the this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

ARTICLE I

INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

2.01 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner's association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured (or shall use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage shall be subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that shall be superior to the lien of this Mortgage shall in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto.

ARTICLE III

RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without

the prior written consent of the City, which shall be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount set forth to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3.03 Permitted Transfers. Mortgagor covenants that during the Recapture Period, it shall not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (a) to a Qualified Household, (b) for an Affordable Price, and provided that (c) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. Any transfer of ownership (x) resulting from Mortgagor's death and occurring pursuant to (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, (y) to a spouse or member of Mortgagor's Qualified Household, or (z) that simply consists of Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, shall be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the affordable housing covenants contained in this Mortgage. **If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in violation of any one or more of the conditions in clauses (a), (b) and (c), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).**

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon ten (10) business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer hereunder and effective to deliver legal title to the transferee. In addition, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING

AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.

ARTICLE IV

DEFAULT

4.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) A failure by Mortgagor to comply with any of the Affordability Requirements set forth in under Section 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in the Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

4.02 City Remedies. The City shall have the following remedies depending on the nature and timing of the Event of Default.

(a) **Recapture Payment Event.** If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration (a "Recapture Payment Event"), any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property shall make the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability

Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The "City Subsidy Recapture Amount" shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%) per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event.

For example, if (a) this Mortgage was dated January 1, 2002, (b) the date of the Recapture Payment Event was July 1, 2008, and (c) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300).]

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within ten (10) days of the Mortgagee's delivery of written notice of such failure to Mortgagor (a "Monetary Event of Default"), then Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.

(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within sixty (60) days of the Mortgagee's delivery of written notice of such failure to Mortgagor, Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. In the event such default cannot reasonably be cured within such sixty (60) day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, such event of default shall (notwithstanding anything in this Section 4.02 to

the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

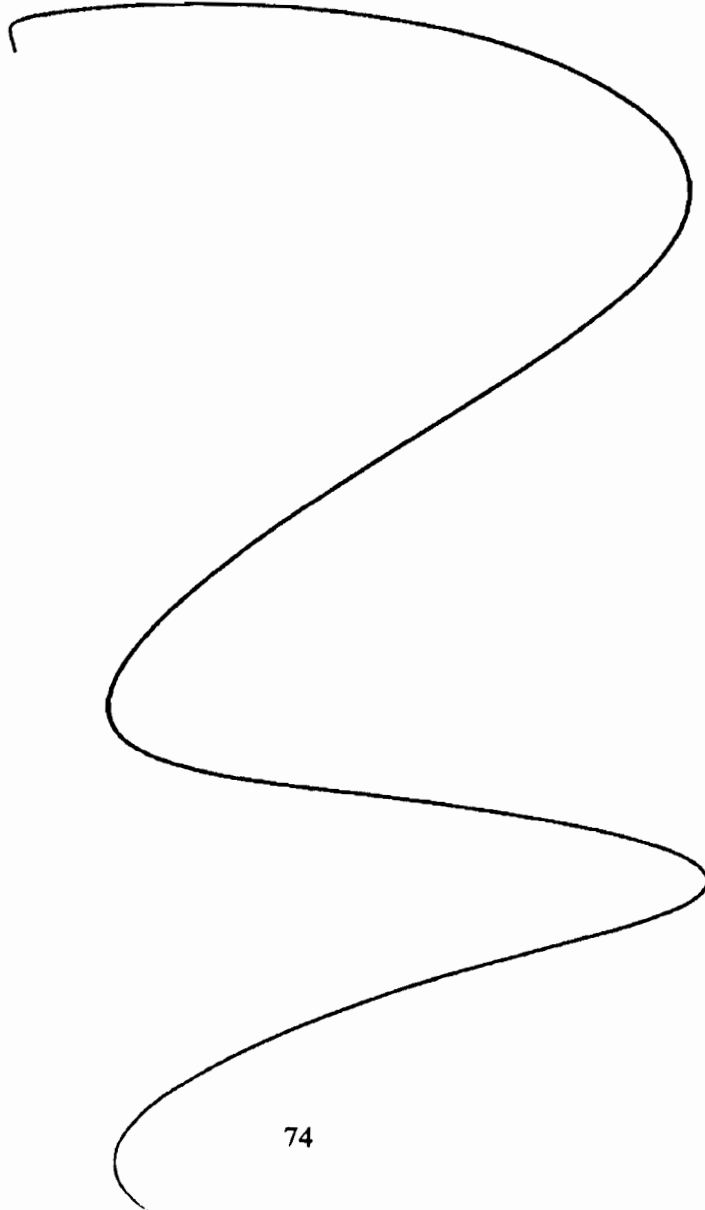
4.03 Other Remedies. (a) If any amounts due under and secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there shall be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date

EXHIBIT F
REDEVELOPMENT PLAN

[See attached.]

[Do not attach for recording.]



of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred and be continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but

each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to articles, sections or paragraphs shall refer to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as

adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing, or any successor department thereto. All notices, requests, or other communications to the City hereunder shall be made to the Department of Housing at the following address: _____, Attention: _____.

[Signature Page Follows]

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ to me as 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 said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 200__.

Notary Public

My commission expires _____.

**Exhibit B to
Form of Recapture Mortgage**

Definitions

“Affordability Requirements” shall mean the affordability requirements contained in Sections 3.02 and 3.03 hereof.

“Affordable Price” shall mean an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household.

“Base Purchase Price” shall mean _____, being the amount of the Purchase Price exclusive of upgrades.

“City Subsidy Amount” shall mean \$ _____, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing) and the Base Purchase Price.

“City Subsidy Recapture Amount” shall have the meaning set forth in Section 4.02 hereof.

“Closing Date” shall mean the date of execution of this Mortgage.

“Home” shall have the meaning set forth in the recitals hereto.

“Initial Seller” shall mean _____.

“Monthly Homeownership Costs” shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,

- (iii) annual insurance premiums, divided by 12, for homeowners' insurance in the amount of the replacement value of the Home, and
- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

"Purchase Price" shall mean \$ _____, being the sum of the Base Purchase Price plus upgrades.

"Recapture Period" shall mean for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

"Qualified Household" shall mean a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows:

<u># of Persons In Household</u>	<u>100% of AMI</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$

"Senior Lender" shall mean _____, being the mortgagee under the Senior Mortgage.

"Senior Mortgage" shall mean that certain mortgage dated as of _____, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on _____ as document # _____ to secure indebtedness in the original principal amount of \$ _____.

"TIF Contribution" shall mean a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.

EXHIBIT H

DESCRIPTION OF PROJECT FINANCING

1st Mortgage Loan

Amount: Approximately \$19,100,000*, or such other amount to which the City may consent
Source: Citibank, F.S.B., or another entity acceptable to the City
Term: Construction period financing, to be repaid from sales of units
Interest: An interest rate acceptable to the City

* A portion of the 1st Mortgage Loan shall also be drawn upon to “bridge” finance the Tax Credit Equity amount set forth above. Upon its pay-in, the Tax Credit Equity shall be used to repay the portion of 1st Mortgage Loan constituting such “bridge” financing.

2nd Mortgage Loan

Amount: Approximately \$3,257,670**, or such other amount to which the City may consent
Source: Chicago Housing Authority, or another entity acceptable to the City
Term: Not to exceed 42 years or such other term acceptable to the City
Interest: An interest rate acceptable to the City

** 2nd priority lien during construction phase; 1st priority lien after conversion of Rental Units and sale of such units to Rental LLC

TIF Loan/City Funds

Amount: Approximately \$2,257,012, or such other amount to which the City may consent (representing net proceeds from issuance of a City Note having a maximum principal balance of approximately \$2,611,649.31, or such other amount to which the City may consent)
Source: TIF Lenders
Term: Not to exceed twenty (20) years
Interest: An initial per annum interest rate not to exceed the Fannie Mae Constant Maturity Debt Index for “AAA” credit five-year debt plus 1.25%

CRF/Developer Equity

Amount: Approximately \$3,349,012 or such amount to which the City may consent

Tax Credit Equity

Amount: Approximately \$6,412,656, or such other amount to which the City may consent

**EXHIBIT I
FORM OF CITY NOTE**

[NOT ATTACHED FOR RECORDING PURPOSES]

**STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE
PUBLIC HOUSING TRANSFORMATION TIF FINANCING PROGRAM
CENTRAL WEST REDEVELOPMENT PROJECT AREA
(HORNOR/WESTHAVEN PARK PHASE IIA2 MIDRISE TRANSFORMATION
PROJECT)
SERIES 2004**

**REGISTERED
NO. ONE**

**MAXIMUM PRINCIPAL
AMOUNT: [\$2,611,649.31]**

**INITIAL
INTEREST RATE**

MATURITY DATE

DATED DATE

**[Not to exceed the Fannie
Mae Constant Maturity
Debt Index for "AAA"
credit five-year debt
plus 1.25%][__%]**

**[Not Later Than 20 Years
From Issuance]**

[_____, 2004]

[no later than 12/31/24; expiration of TIF Area]

Registered Owner: Community Reinvestment Fund, Inc., a Minnesota nonprofit corporation

[1] The City of Chicago (the "City") acknowledges itself to owe, and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns as provided below, the principal amount of this Note that has been disbursed and is outstanding from time to time up to the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount at the Interest Rate per annum set forth above (subject to reset of such Interest Rate on the Reset Date, and as otherwise provided in the Note Ordinance), per the Debt Service Schedule attached hereto from time to time, until the Principal Amount is paid, except as the provisions set forth in this Note with respect to prepayment prior to maturity are and become applicable to this Note. The principal of and interest on this Note are payable in any coin or currency that at the time of payment is legal tender for the payment of public and private debts. Both the principal of this Note and the interest payable on this Note are payable at the office of

the City Comptroller, 33 North LaSalle Street, 6th Floor, Chicago, Illinois 60602, as Note registrar and paying agent (the "Registrar"). Payment of principal of and interest on this Note shall be made on each applicable payment date to the Registered Owner of the Note on the registration books of the City maintained by the Registrar at the close of business on the 15th day of the month next preceding the applicable payment date and shall be paid by check or draft of the Registrar 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.

[2] This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory of the Act and supplemental to the Act, and the principal of and interest on the Note are payable solely from Mandatory Pledged Revenues and Discretionary Pledged Revenues (as defined in the hereafter defined Note Ordinance) pursuant to the Note Ordinance and the Short Form Note Purchase Agreement (as defined herein) and in accordance with the provisions of the Act. The Note is being issued pursuant to that certain Master Note Purchase Agreement dated December 8, 2003 as supplemented by the Short Form Note Purchase Agreement of even date herewith (the "Short Form Note Purchase Agreement"), each among the City, Community Reinvestment Fund, Inc. and the Lenders and Guarantor identified therein (collectively, the TIF Loan Agreement") for the purpose of providing funds to pay a portion of the TIF-Eligible Costs which have been approved for the Horner/Westhaven Park Phase IIA2 Mid-Rise Transformation Project, located in the Central West Redevelopment Project Area, which has been approved as a Program-financed Eligible Area, all as more fully described in the ordinance authorizing the issuance of the Note and the ordinance authorizing a Redevelopment Agreement for the Horner/Westhaven Park Phase IIA2 Mid-Rise Transformation Project (the "Redevelopment Agreement"), each adopted by the City Council of the City on April 9, 2003 and July 21, 2004 (collectively, together with other ordinances heretofore adopted in connection therewith, the "Note Ordinance"), to all the provisions of which the Registered Owner by the acceptance of this Note assents. The Note, together with the interest on the Note, is a limited obligation of the City, payable solely from the applicable Mandatory Pledged Revenues and Discretionary Pledged Revenues as provided in the Note Ordinance and Short Form Note Purchase Agreement. For the prompt payment of this Note, both principal and interest, as stated above, at maturity, such Mandatory Pledged Revenues and Discretionary Pledged Revenues are hereby irrevocably pledged. THIS NOTE DOES NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE CITY. THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE CITY, PAYABLE SOLELY FROM THE APPLICABLE MANDATORY PLEDGED REVENUES. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, EXCEPT AS HEREIN PROVIDED. NO REGISTERED OWNER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY FOR PAYMENT OF PRINCIPAL OF OR INTEREST ON THIS NOTE.

[3] Under the Act and the Note Ordinance, the Available Incremental Taxes (as used herein as defined in the Note Ordinance as such definition is modified by Section 1.5 of the Short Form Note Purchase Agreement) shall initially be deposited in the applicable Tax Allocation Fund. Available Incremental Taxes shall then be redeposited into the Transformation Note Fund created within such Tax Allocation Fund pursuant to the Note Ordinance and, along with any other applicable available Mandatory Pledged Revenues and Discretionary Pledged Revenues, shall be

used and are pledged for paying the principal of and interest on the Note and then in making any further required payments as provided by the terms of the Note Ordinance, the TIF Loan Agreement and the TIF Financing Loan Documents (as such term is defined in the Note Ordinance and Exhibit attached thereto), including the Short Form Note Purchase Agreement

[4] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the City by this Note covenants and agrees that it has made provision for the segregation of the Available Incremental Taxes and the deposit of such funds in the applicable Transformation Note Fund pursuant to the Note Ordinance, and that it will properly account for those taxes and all other Mandatory Pledged Revenues and Discretionary Pledged Revenues and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance and Short Form Note Purchase Agreement.

[5] This Note is issued initially in fully registered form and is transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing at the office of the Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Note Ordinance, and upon surrender and cancellation of this Note. In the case of a sale or assignment of the Horner/Westhaven Park Phase IIA2 Mid-Rise Transformation Project TIF Loan (as defined in the Note Ordinance) or a participation therein, such transfer may include the City's issuance of two or more fully registered Notes of the same maturity, of authorized denomination and having, in aggregate, an outstanding principal balance equal to the outstanding balance of the surrendered Note. If more than one Note is issued to evidence the Horner/Westhaven Park Phase IIA2 Mid-Rise Transformation Project TIF Loan, unless the registered owners otherwise agree, all such registered owners of such Notes shall share ratably in the Mandatory Pledged Revenues and Discretionary Pledged Revenues and all rights afforded registered owners under the Note Ordinance, the TIF Loan Agreement, and the Short Form Note Purchase Agreement.

[6] The City and the Registrar may deem and treat the Registered Owner of this Note as the absolute owner of this Note for the purpose of receiving payment of or on account of principal of this Note, premium, if any, and interest due on this Note and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary.

[7] Except as may be otherwise provided in the TIF Loan Agreement, this Note may be prepaid prior to maturity at the option of the City, in whole or in part on any date from any available Pledged Revenues without penalty or premium. Any prepayments on the debt service of the Note shall be made in inverse order of maturity.

[8] The rights and obligations of the City and of the Registered Owners of the Note(s) may be modified or amended at any time with the consent of the City and of the Registered Owners of not less than a majority in outstanding principal amount of the applicable Note(s), provided, however that the express written consent of all affected Registered Owners shall be required to make any modification or amendment that (a) extends the maturity date, (b) reduces the interest rate, (c) otherwise alters or impairs the obligation of the City to pay the principal of and

interest on the Note(s), at the time and place and at the rate and in the currency provided in the Note(s), and (d) permits the creation of a preference or priority of any Note(s) over any other Note(s).

[9] IN WITNESS WHEREOF, the City of Chicago, by its City Council, has caused this Note to be signed by the manual or duly authorized facsimile signature of the Mayor and City Clerk, all as appearing on this Note and as of the Dated Date identified above.

[SEAL]

Mayor

City Clerk

(ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint _____ or its successor as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

EXHIBIT J

FOR SALE UNIT PROFIT SHARING GUIDELINES

“Available Net Cash Proceeds” (as hereinafter defined) generated from the sale of the For Sale Units at the Project shall be determined at such time the last For Sale Unit is sold and shall be paid fifty percent to the Developer and fifty percent to the CHA and the City, collectively. Available Net Cash Proceeds shall mean the net cash realized by the Developer from the sale of the For Sale Units after retirement of applicable debt, payment of all reasonable and customary transaction costs associated with the sale of the For Sale Units, including, without limitation, costs of title insurance, surveys, transfer taxes and legal fees, in accordance with the Project Budget attached as Exhibit L-2, and after the return of and return on Equity. Return on Equity provided by Chicago Reinvestment Fund, Inc. for purposes of the above profit-sharing formula shall be capped at the preferred return payable to Chicago Reinvestment Fund, Inc. under the terms of the Developer’s operating agreement. Return on Equity provided by the Developer shall be capped at an annual rate of fifteen percent (15%) per annum.

EXHIBIT L-1
MBE/WBE PROJECT BUDGET

Hard Costs	
Construction	\$17,198,815
Site Development	442,418
Contractor's General Conditions	1,803,413
<u>Contractor Overhead</u>	<u>361,138</u>
TOTAL HARD COSTS	\$19,805,784
Soft Costs	
Architectural & Design	\$300,000
Engineering Fees	<u>50,000</u>
TOTAL SOFT COSTS	\$350,000
TOTAL	\$20,155,784*

* Certain environmental remediation costs associated with the Project that are to be paid for by the CHA are not included in the Project Budget and will not be paid for from the sources of funds described herein

**EXHIBIT L-2
PROJECT BUDGET**

Site Work	442,418
Rehab/Construction	16,896,955
Rental Office/Community Room	301,860
Contractor General Conditions	1,083,413
Contractor Overhead & Profit	1,444,551
Construction Contingency	936,232
Performance Bond	416,300
Construction Period Insurance	179,000
Construction Interest	1,073,618
Construction Period Taxes	30,000
Construction Loan Origination	96,500
Other: Security	130,000
Architect-Design/Supervision	300,000
Engineering	50,000
Accounting	20,000
Appraisal	14,000
Market Study	18,000
Environmental Report & Testing	30,000
Marketing	817,000
Leasing/Sales	452,000
F.F & E. Office/Community Rm/Model	67,626
Finish Selection	94,800
TIF Consultants	40,000
Title, Recording & Closing Costs	112,000
Building Permit Fees	259,748
Utility Connections	28,250
Survey	56,500
Legal Fees	504,500
Lender's Inspection Fee	21,977
Landscaping Letter of Credit	7,500
Other Fees: Soil Testing	35,000
Insurance Escrow	11,152
Leasing Reserve	20,000
Affordability Reserve/Assessments	320,100
Replacement Reserve	11,900
Operating Reserve/Warranty	99,000
Holding RE Taxes	30,000
TIF Origination	223,196
Tax Credit Fees	21,800
Transfer Tax Fees	56,700
Letter of Credit Fees	4,100
Organization (Partnership)	60,000
Bridge Loan/Equity Expenses	28,977
Bridge Loan/Equity Interest	879,375
Other Syndication Costs	108,500
Developer's Fees/Overhead	1,332,667
Developer's Profit	1,703,612
TOTAL COSTS:	\$30,870,827

EXHIBIT M

PERMITTED LIENS

1. Ground Lease Agreement by and between Chicago Housing Authority and WHP Tower, LLC dated December 27, 2004
2. Declaration of Restrictive Covenants dated December 27, 2004 by and between the Chicago Housing Authority and WHP Tower, LLC and WHP Tower Rental, LLC
3. Property Rights Agreement by and among WHP Tower, LLC, WHP Tower Rental, LLC and Chicago Housing Authority, dated December 27, 2004
4. Regulatory and Operating Agreement dated December 27, 2004 by and among the Chicago Housing Authority, WHP Tower, LLC and WHP Tower Rental, LLC
5. Regulatory Agreement dated December 27, 2004 between WHP Tower, LLC and the City of Chicago
6. Mortgage, Security Agreement and Fixture Filing dated December 27, 2004 made by WHP Tower, LLC to Citibank, F.S.B.
7. Assignment of Rents and Leases, dated December 27, 2004 made by WHP Tower, LLC to Citibank, F.S.B.
8. UCC Financing Statements (Citibank)
9. Subordinate Mortgage, Security Agreement and Financing Statement, dated December 27, 2004 made by WHP Tower, LLC to Chicago Housing Authority
10. Assignment of Rents and Leases, dated December 27, 2004 made by WHP Tower, LLC to Chicago Housing Authority
11. UCC Financing Statements (Chicago Housing Authority)

EXHIBIT N
REQUISITION FORM

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, WHP Tower, LLC, an Illinois limited liability company (the "Developer"), hereby certifies to the City, the TIF Lenders and the Guarantor the following with respect to that certain Horner/Westhaven Park Phase IIA2 Midrise Transformation Project Redevelopment Agreement between the Developer and the City of Chicago dated _____, 2004 (the "Agreement"). Capitalized terms not defined herein shall have the meaning given in the Agreement:

A. This Requisition Form is a request for reimbursement pursuant to Section 4.02 of the Agreement. Such reimbursement is to be funded with certain loan proceeds previously advanced by the TIF Lenders to the City, which loan is evidenced by and is outstanding indebtedness under that certain Tax Increment Allocation Revenue Note Public Housing Transformation TIF Financing Program (Horner/Westhaven Park Phase IIA2 Midrise Transformation Project) Series 2004. Upon such funding by the TIF Lenders, the City will immediately deposit the loan proceeds into the Construction Loan Escrow for payment in accordance with the terms of the Construction Loan Escrow Agreement.

B. Prior to the submission of this Requisition Form, expenditures for the Project, in the total amount of \$ _____, were incurred by the Developer for the following TIF-Funded Improvements, have been funded by the TIF Lenders into the Construction Escrow, and have been disbursed from the Construction Loan Escrow:

Property assembly costs, including, but not limited to, acquisition of land, demolition of buildings, site preparation, site improvements that serve as an engineered barrier and the cleaning and grading of land (65 ILCS 5/11-74.4-3(q)(2)

\$ _____

50% of the cost of construction

of new housing units to be occupied
by low-income households
(65 ILCS 5/11-74.4-3(q)(11)(F) \$ _____

C. Since the submittal of the last Requisition Form, the additional expenditures for the Project listed below, in the total amount of \$ _____, have been incurred by the Developer for TIF-Funded Improvement costs, for which funding into the Construction Escrow is now being requested:

Property assembly costs, including,
but not limited to, acquisition of
land, demolition of buildings, site
preparation, site improvements that
serve as an engineered barrier and
the cleaning and grading of land
(65 ILCS 5/11-74.4-3(q)(2) \$ _____

50% of the cost of construction
of new housing units to be occupied
by low-income households
(65 ILCS 5/11-74.4-3(q)(11)(F) \$ _____

A more detailed description of the expenditures giving rise to the additional TIF-Funded Improvements costs set forth above is attached as Schedule 1.

D. None of the costs referenced in paragraph C above have been previously reimbursed to the Developer.

E. After giving effect to the reimbursement requested under Paragraph C, the total City Funds disbursed pursuant to the Redevelopment Agreement and funded by the TIF Lenders into the Construction Escrow in reimbursement of TIF-Funded Improvement costs incurred by the Developer will be \$ _____.

F. The Developer hereby certifies to the City, the TIF Lenders, and the Guarantor that, as of the date hereof:

1. The representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

2. No 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.

DEVELOPER:

WHP TOWER, LLC, an Illinois limited liability company

By: BMH-I, LLC, an Illinois limited liability company,
its managing member

By: _____
Name: _____
Title: _____

Subscribed and sworn before me this ___ day of _____.

My commission expires: _____

Schedule 1 to Developer's Requisition Form

[ATTACH ITEMIZED BREAKDOWN OF TIF-FUNDED IMPROVEMENT COSTS]

EXHIBIT P-1

ARCHITECT'S OPENING CERTIFICATE

Date: _____

The undersigned, [_____] ("Architect"), hereby certifies to the City of Chicago, Illinois ("City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Horner/Westhaven Park Phase IIA2 Midrise Transformation Project Redevelopment Agreement ("Agreement") dated as of June 1, 2004, by and between the City and WHP Tower, LLC ("Developer")):

1. Architect is an architect licensed and in good standing in the State of Illinois.
2. Architect has prepared the Plans and Specifications, to the best of the Architect's professional knowledge, the same are, and the Project will be when completed in accordance therewith, in full compliance with all applicable building, zoning and other laws, statutes, codes, regulations and ordinances (collectively, "Laws"), including, without limitation, all applicable pollution control and environmental protection regulations.
3. The Project, when completed in accordance with the Plans and Specifications, will not encroach upon any recorded or visible easement in effect with respect to the Property.
4. The Plans and Specifications are complete in all respects and were prepared in accordance with accepted architectural practices, containing all detail requisite for the Project which, when built and equipped in accordance therewith, shall be ready for occupancy.
5. In the aggregate, the construction contract and the existing subcontracts contain all detail necessary to provide for all labor, material and equipment required by the Plans and Specifications.
6. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate or, if not so obtained, the Architect has no reason to believe same will not be obtained as and when so required. Such permits and other necessary governmental approvals are described in Exhibit 1 attached to this Certificate.
7. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.

Adequate ingress and egress to the Project over public streets and rights of way will be available during the period of construction of the Project and thereafter.

8. All existing foundation and subsurface work conforms to the Plans and Specifications and all portions of the Project consisting of the subsurface work has been completed.

9. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

10. The Architect has executed and delivered to the City the Statement of Compliance in the form attached hereto as Exhibit 2.

ARCHITECT:

[_____]

By: _____
Its: _____

EXHIBIT P-2

ARCHITECT'S COMPLETION CERTIFICATE

Date: _____

The undersigned, [_____] ("Architect"), hereby certifies to the City of Chicago, Illinois ("City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Horner/Westhaven Park Phase IIA2 Midrise Transformation Project Redevelopment Agreement ("Agreement") dated as of June 1, 2004, by and between the City and WHP Tower, LLC ("Developer")):

1. Architect is an architect licensed and in good standing in the State of Illinois.
2. The construction of the Project has been "substantially completed" as of the date of this Certificate in accordance with the approved Plans and Specifications. For purposes hereof, the Project being "substantially completed" means that the Project is usable in its present condition for its intended purpose. The Architect's determination of the total cost to complete the construction of such portion of the Project as may be unfinished is \$ _____.
3. Neither the Property nor the construction of the Project violates or will violate any existing applicable zoning, building, environmental protection or other statutes, ordinances, laws or regulations (collectively, "Laws").
4. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate. Such permits and other necessary governmental approvals are described in Exhibit 1 attached to this Certificate.
5. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.
6. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

ARCHITECT:

[_____]

EXHIBIT Q**AFFORDABLE FOR SALE UNIT PRICE SCHEDULE**

<u>Unit Number</u>	<u>Description</u>	<u>Square Feet</u>	<u>Sales Price</u>
111	1br/1ba	826	\$125,500
210	1br/1ba	826	\$121,000
312	2br/2ba	1,226	\$182,000
313	2br/2ba	1,226	\$182,000
403	2br/2ba	1,051	\$165,000
406	1br/1ba	675	\$113,000
514	1br/1ba	739	\$143,000

EXHIBIT K
DEVELOPER INFRASTRUCTURE IMPROVEMENTS
[NOT APPLICABLE]

