

DPD \$7,197,700

## Contract Summary Sheet

**Contract (PO) Number:** 6402

**Specification Number:** 26810

**Name of Contractor:** MONTCLARE SENIOR RESIDENCES

**City Department:** DEPARTMENT OF HOUSING

**Title of Contract:** Interest Subsidy Payments For Affordable Housing

**Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):**

\$10,800,000 00

**PO Start Date:** 12/21/00

**PO End Date:** 12/21/25

**Brief Description of Work:** Interest Subsidy Payments For Affordable Housing

**Procurement Services Contact Person:** THOMAS DZIEDZIC

**Vendor Number:** 50073581

**Submission Date:**

**MAR 29 2005**

8001258

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This agreement was prepared by  
and after recording return to

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**REDEVELOPMENT AGREEMENT**

**CITY OF CHICAGO**

**AND**

**MONTCLARE SENIOR RESIDENCES PHASE II, L.P.**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>SECTION 1. RECITALS</b> .....	2
<b>SECTION 2. DEFINITIONS</b> .....	2
<b>SECTION 3. THE PROJECT</b> .....	5
3.01 <u>The Project</u> .....	5
3.02 <u>Plans and Specifications</u> .....	5
3.03 <u>Project Budget</u> .....	6
3.04 <u>Change Orders</u> .....	6
3.05 <u>DPD Approval</u> .....	6
3.06 <u>Other Approvals</u> .....	6
3.07 <u>Survey Updates</u> .....	7
3.08 <u>Architect's Certificates</u> .....	7
3.09 <u>Progress Reports and Survey Updates</u> .....	7
3.10 <u>Inspecting Agent or Architect</u> .....	7
<b>SECTION 4. FINANCING FOR THE PROJECT COSTS</b> .....	7
4.01 <u>Initial Financing for the Project</u> .....	7
4.02 <u>Reimbursement for TIF-Funded Improvements</u> .....	7
4.03 <u>Sufficiency of Available Incremental Revenues for TIF-Funded Improvements</u> .....	8
4.04 <u>Construction Escrow</u> .....	8
4.05 <u>Sources of City Funds</u> .....	8
<b>SECTION 5. GENERAL PROVISIONS</b> .....	8
5.01 <u>DPD Approval</u> .....	8
5.02 <u>Other Approvals</u> .....	9
5.03 <u>Barricades</u> .....	9
5.04 <u>Signs and Public Relations</u> .....	9
5.05 <u>Utility Connections</u> .....	9
5.06 <u>Permit Fees</u> .....	9
<b>SECTION 6. CONDITIONS</b> .....	9
6.01 <u>Title Policy</u> .....	9
6.02 <u>Survey</u> .....	9
6.03 <u>Insurance</u> .....	9
6.04 <u>Opinion of Developer's Counsel</u> .....	10
6.05 <u>Plans and Specifications</u> .....	10
6.06 <u>Project Budget</u> .....	10
6.07 <u>Other Governmental Approvals</u> .....	10
6.08 <u>Financing</u> .....	10
6.09 <u>Evidence of Clean Title</u> .....	10
6.10 <u>Financial Statements</u> .....	10
6.11 <u>Environmental Matters</u> .....	10
6.12 <u>Entity Documents</u> .....	11
6.13 <u>Litigation</u> .....	11
6.14 <u>Other Documents</u> .....	11

<b>SECTION 7. AGREEMENTS WITH CONTRACTORS</b> .....	11
7.01 <u>Bid Requirement for General Contractor and Subcontractors</u> .....	11
7.02 <u>Construction Contract</u> .....	12
7.03 <u>City Resident Employment Requirement</u> .....	12
7.04 <u>Performance and Payment Bonds</u> .....	13
7.05 <u>Maintaining Records</u> .....	13
7.06 <u>Employment Opportunity</u> .....	14
7.07 <u>Other Provisions</u> .....	14
<b>SECTION 8. COMPLETION OF CONSTRUCTION</b> . . . . .	14
8.01 <u>Certificate of Completion</u> .....	14
8.02 <u>Effect of Issuance of Certificate; Continuing Obligations</u> ...	14
8.03 <u>Failure to Complete</u> .....	14
8.04 <u>Notice of Expiration of Term of Agreement</u> .....	15
<b>SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER</b> .....	15
9.01 <u>General</u> .....	15
9.02 <u>Covenant to Redevelop</u> .....	16
9.03 <u>Redevelopment Plan</u> .....	17
9.04 <u>Use of Available Incremental Revenues</u> .....	17
9.05 <u>Other Bonds</u> .....	17
9.06 <u>Arms-Length Transactions</u> .....	17
9.07 <u>Conflict of Interest</u> .....	17
9.08 <u>Disclosure of Interest</u> .....	17
9.09 <u>Financial Statements</u> .....	17
9.10 <u>Insurance</u> .....	17
9.11 <u>Non-Governmental Charges</u> .....	18
9.12 <u>Developer's Liabilities</u> .....	18
9.13 <u>Compliance with Laws</u> .....	18
9.14 <u>Recording and Filing</u> .....	18
9.15 <u>Real Estate Provisions</u> .....	19
9.16 <u>Survival of Covenants</u> .....	20
<b>SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY</b> . . . . .	20
10.01 <u>General Covenants</u> .....	20
10.02 <u>Survival of Covenants</u> .....	20
<b>SECTION 11. EMPLOYMENT OPPORTUNITY</b> .. . . . . .	21
<b>SECTION 12. ENVIRONMENTAL MATTERS</b> .....	23
<b>SECTION 13. INSURANCE</b> . . . . .	23
<b>SECTION 14. INDEMNIFICATION</b> .. . . . . .	25
<b>SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT</b> . . . . .	26
15.01 <u>Books and Records</u> .....	26
15.02 <u>Inspection Rights</u> .. . . . . .	26

<b>SECTION 16. DEFAULT AND REMEDIES</b> .....	26
16.01 <u>Events of Default</u> .....	26
16.02 <u>Remedies</u> .....	27
16.03 <u>Curative Period</u> .....	28
16.04 <u>Right to Cure by Lender and Investor</u> .....	28
 <b>SECTION 17. NOTICE</b> .....	 29
 <b>SECTION 18. MISCELLANEOUS</b> .....	 30
18.01 <u>Amendment</u> .....	30
18.02 <u>Entire Agreement</u> .....	30
18.03 <u>Limitation of Liability</u> .....	30
18.04 <u>Further Assurances</u> .....	30
18.05 <u>Waiver</u> .....	30
18.06 <u>Remedies Cumulative</u> .....	30
18.07 <u>Disclaimer</u> .....	30
18.08 <u>Headings</u> .....	31
18.09 <u>Counterparts</u> .....	31
18.10 <u>Severability</u> .....	31
18.11 <u>Governing Law</u> .....	31
18.12 <u>Form of Documents</u> .....	31
18.13 <u>Approval</u> .....	31
18.14 <u>Assignment</u> .....	31
18.15 <u>Binding Effect</u> .....	31
18.16 <u>Force Majeure</u> .....	31
18.17 <u>HUD Rider</u> .....	32
18.18 <u>Exhibits</u> .....	32
18.19 <u>Business Economic Support Act</u> .....	32
18.20 <u>Venue and Consent to Jurisdiction</u> .....	32
18.21 <u>Costs and Expenses</u> .....	32
18.22 <u>No Business Relationship with City Elected Officials</u> .....	32
18.23 <u>Prevailing Wage</u> .....	33

## **LIST OF EXHIBITS**

<b>Exhibit A</b>	<b>Redevelopment Area Legal Description</b>
<b>Exhibit B</b>	<b>Site Legal Description</b>
<b>Exhibit C</b>	<b>TIF-Funded Improvements</b>
<b>Exhibit D</b>	<b>Redevelopment Plan</b>
<b>Exhibit E</b>	<b>Plans and Specifications</b>
<b>Exhibit F</b>	<b>Financing for the Project</b>
<b>Exhibit G-1</b>	<b>Project Budget</b>
<b>Exhibit G-2</b>	<b>MBE/WBE Budget</b>
<b>Exhibit H</b>	<b>Intentionally Omitted</b>
<b>Exhibit I</b>	<b>Opinion of Counsel</b>
<b>Exhibit J</b>	<b>Requisition Form</b>
<b>Exhibit K -1</b>	<b>Architect's Opening Certificate</b>
<b>Exhibit K - 2</b>	<b>Architect's Completion Certificate</b>
<b>Exhibit L</b>	<b>Minimum Equalized Assessed Value</b>
<b>Exhibit M</b>	<b>Form of Payment Bond</b>
<b>Exhibit N</b>	<b>Form of Subordination Agreement</b>

This agreement was prepared by and  
after recording return to

Iris Webb  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

## REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (the "Agreement") is made as of this 1st of ~~September~~ 2003, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Montclare Senior Residences Phase II, L.P., an Illinois limited partnership (the "Developer").

### RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), to finance the redevelopment of conservation and blighted areas

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on August 30, 2000: (1) "An Ordinance of the City of Chicago, Illinois, Approving a Redevelopment Plan and Project for the Montclare Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois, Designating the Montclare Redevelopment Project Area 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 Montclare Redevelopment Tax Increment Financing Project." Collectively, these ordinances shall be referred to herein as the "TIF Ordinances." The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto

D. The Project: The Developer has previously acquired the real property located in the Redevelopment Area (commonly known as 6640 W. Belden Avenue) and legally described on Exhibit B (the "Property") Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities: construction of a seven-story elevator building of approximately 155,234 square foot on the Property having 138 rental one-bedroom and 42 two-bedroom apartment units and with 99 parking spaces available on the Property (the "Facility"). Except for one non-revenue staff unit, which

will ensure round-the-clock management, and except for 18 market rate units that will have no tenant income or rent restrictions, all units will be subject to these rent-restrictions: (i) 86 one-bedroom units must be rented to households earning 60 percent or less of the AMI; 38 one-bedroom units with initial monthly rents of approximately \$390-\$515 that must be rented to households earning 40 percent or less of the AMI; and 38 two-bedroom units with initial monthly rents of approximately \$910 that must be rented to households earning 60 percent or less of the AMI; (iii) each household must have at least one person 55 years of age or older capable of independent living; (the covenants in (i), (ii), and (iii) are collectively referred to herein as the "Affordability Covenants"). The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Montclare Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit D. Among the objectives of the Redevelopment Plan is to create new senior residential housing in the Redevelopment Area to serve the surrounding community.

F. Lender Financing: The City acknowledges that lender financing for the Project is to be provided as set forth in Exhibit F attached hereto ( the "Lender Financing").

G. City Financing Pursuant to the terms and conditions of this Agreement, the City agrees to use, in the amounts set forth in Section 4.03 hereof, Available Incremental Revenues (the "City Funds"), to pay or reimburse the Developer for the costs of TIF-Funded Improvements (as defined below) pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

## SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this Agreement by reference.

## SECTION 2. DEFINITIONS

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

"Act" shall have the meaning set forth in Paragraph B of the Recitals hereto

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

"Affordability Covenants" shall mean the income, rent and occupancy restriction covenants set forth in Recital D



**"AMI"** shall mean the area median income for the Chicago Metropolitan Area, as published annually by the Department of Housing and Urban Development.

**"Available Incremental Revenues"** shall mean an amount equal to 98 percent (98%) of the Incremental Taxes deposited in the Montclare Redevelopment Project Area TIF Fund attributable to the taxes levied on the Property, to the extent available, allocated by the City in each fiscal year for the payment of the TIF-Funded Improvements.

**"Certificate"** shall mean the Certificate of Completion described in Section 8 hereof.

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

**"City Funds"** shall have the meaning set forth in Paragraph G of the Recitals hereto.

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

**"Construction Contract"** shall mean that certain contract to be entered into between the Developer and the General Contractor providing for construction of the Project.

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

**"Developer's Architect"** shall have the meaning set forth in Section 3.08 hereto.

**"Employer(s)"** shall have the meaning set forth in Section 11 hereof.

**"Environmental Laws"** shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

**"Escrow"** shall mean the construction escrow, if any, established pursuant to the Escrow Agreement.

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

**"Event of Default"** shall have the meaning set forth in Section 16 hereof.

**"FHA-Insured Loan"** shall have the meaning set forth in Paragraph A of Exhibit F hereto.

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

**"First Mortgagee"** shall mean Midland Loan Services, Inc. or the current holder of the FHA-Insured Loan, or such other originator of the FHA-Insured Loan as may be acceptable to the Commissioner of DPD.

**"General Contractor"** shall mean Crane Construction Company, LLC.

**"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 United States Department of Housing and Urban Development.

**"Incremental Taxes"** shall mean such ad valorem taxes which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by Treasurer into the Incremental Taxes Fund.

**"Incremental Taxes Fund"** shall mean the Montclare Redevelopment Project Area Special Tax Allocation Fund created pursuant to the TIF Ordinances.

**"Lender Financing"** shall have the meaning set forth in paragraph F of the Recitals.

**"Lender"** shall mean the provider of the Lender Financing

**"MBE(s)"** or minority-owned business enterprise shall mean a business enterprise identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority business enterprise

**"Other Funds"** shall mean those funds set forth in paragraph B of Exhibit F

**"Plans and Specifications"** shall mean final construction documents containing a site plan and working drawings and specifications for the Project prepared by the Developer's Architect.

**"Project"** shall have the meaning set forth in Paragraph D of the Recitals

**"Project Budget"** shall mean the budget for the Developer Project attached hereto as Exhibit G-1.

**"Project Costs"** shall mean all of the costs incurred in connection with the Project.

**"Property"** shall have the meaning set forth in Paragraph D of the Recitals

**"Regulatory Agreement"** shall mean that certain Regulatory Agreement for Multifamily Housing Projects dated as of the date hereof and amendments thereto, if any, entered into between the Developer and HUD with respect to the Property

**"Requisition Form"** shall mean the document, in the form attached hereto as Exhibit J, to be delivered by the Developer to DPD pursuant to Section 4 02 of this Agreement

"Surplus Cash" shall have the meaning ascribed to it in the Regulatory Agreement.

"Survey" shall mean a plat of an ALTA survey of the Property acceptable in form and content to the City and the Title Company.

"Term of the Agreement" shall mean the term commencing on the date of execution of this Agreement and ending December 31, 2024.

"TIF Ordinances" shall have the meaning set forth in Paragraph C of the Recitals hereto.

"Title Company" shall mean Chicago Title and Trust Company, an Illinois corporation.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"WBE(s)" or women's business enterprise shall mean a business enterprise identified in the Directory of Certified Women's Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a -women's business enterprise.

### SECTION 3. THE PROJECT

#### 3 01 The Project.

The Developer shall (i) commence construction of the Project no later than September 30, 2003, or such later date as to which DPD may consent; and (ii) complete construction of the Project no later than December 31, 2004, or such later date as to which DPD may consent, and subject further to the provisions of Section 18.16 of this Agreement. The Project shall be carried out in accordance with the Plans and Specifications for the Project. In the event that HUD grants an extension of time for commencement or completion of construction of the Project, the Developer shall notify the City within five business days after receipt of notice of such extension and the foregoing dates shall be automatically extended accordingly

3.02 Plans and Specifications. The Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and shall comply with all applicable state and local laws, ordinances and regulations. As of the date hereof, the Developer has delivered to DPD, and DPD has approved, the Plans and Specifications, a list of which are attached hereto as Exhibit E. The Developer has submitted also all such documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

Any material amendment to the Plans and Specifications must be submitted to DPD for its approval.

3 03 Project Budget. The Developer has furnished to DPD, and DPD has approved, the Project Budget. The Developer hereby certifies to the City that (a) *Lender Financing and Other Funds* shall be

sufficient to pay all Project Costs and (b) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer hereby represents to the City that the Lender Financing is (a) along with Other Funds and the City Funds, necessary to pay for all Project Costs and (b) available to be drawn upon to pay for certain Project Costs in accordance with the terms of the documents securing the Lender Financing. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

**3.04 Change Orders.** Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.09 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Facility; (b) a change in the use of the Property to a use other than residential rental housing consistent with the Affordability Covenants; (c) a delay in the completion of the Project; or (d) Change Orders costing more than \$50,000 each, to an aggregate amount of \$200,000. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this Section).] The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than \$50,000 each, to an aggregate amount of \$200,000, do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DPD the source of funding therefor

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

**3.06 Other Approvals.** Construction of the Project and purchase of materials shall not commence until the Developer has obtained all permits and approvals required by state, federal or local statute, ordinance or regulation and the General Contractor has delivered to the Developer performance and payment bonds in the full amount of the construction contract.

The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.05 hereof

**3.07 Survey Updates.** Upon DPD's request, the Developer shall provide three as-built Surveys to DPD reflecting improvements made to the Property.

**3.08 Architect's Certificates and Periodic Reports** The Developer has contracted with Kachoris Altay Architects, Inc (the "Developer's Architect") to act as its architect on the Project. The Developer's Architect shall provide the following documents to DPD:

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

(b) during construction of the Project on a monthly basis, a copy of AIA Form G-703, or a comparable form containing the same information as AIA Form G-703, and inspection reports; and

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

**3.09 Progress Reports and Survey Updates.** The Developer shall provide DPD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.05). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

**3.10 Inspecting Agent or Architect.** The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project

#### SECTION 4. FINANCING FOR THE PROJECT COSTS

**4.01 Initial Financing for the Project.** The Developer shall pay for all of the Project Costs using the proceeds of the Lender Financing and Other Funds.

##### 4.02 Reimbursement for TIF-Funded Improvements

(a) The City hereby agrees to reimburse the Developer from Available Incremental Revenues, if any, for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.02(b), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

(b) After issuance of a Certificate and prior to each October 1 (or such other date as the parties may agree to) thereafter, throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form in the form attached as Exhibit J, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD). The Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered. The City Comptroller shall pay, to the extent of any Available Incremental Revenues then available in the Incremental Taxes Fund, the amount requested in the Requisition Form for TIF-funded Improvements within 60 days of its receipt.

**4.03 Sufficiency of Available Incremental Revenues for TIF-Funded Improvements.** It is hereby understood and agreed to by the Developer that the City does not make any representations that the amount

of the Available Incremental Revenues will be sufficient to pay or reimburse the Developer for any or all of the TIF-Funded Improvement Costs.

4.04 Construction Escrow. The City and the Developer hereby agree that the City and the Developer's Architect shall be made a party to the Escrow Agreement, for the purpose of obtaining a copy of all documents delivered by the other parties thereto. The Escrow Agreement shall provide that the City shall receive copies of all notices, certifications and disbursements under the construction loan agreement between the Developer and its construction lender(s). In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

4.05 Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.02 and Section 6 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Revenues	\$7,197,700

The Developer acknowledges and agrees that the City has committed to reserve only 98% of the Incremental Taxes attributable to the tax parcels comprising the Property and that the Developer has no right or claim to, and the City shall be free to otherwise reserve, pledge and commit to other redevelopment projects or financing, the Incremental Taxes attributable to the other tax parcels in the Redevelopment Area. The City acknowledges and agrees that the Developer shall have a first priority claim to the Available Incremental Revenues committed and reserved under this Section 4.05.

## SECTION 5. GENERAL PROVISIONS

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

5.02 Other Approvals Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Sections 3.02 and 3.04 hereof

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

5.04 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 construction of the Project indicating that public financing is being provided by the City. The City reserves the right to include the name, photograph, architectural rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

5.05 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to the City utility lines existing on or near the perimeter of the Property provided the Developer first complies with all the City requirements governing such connections, including the payment of customary fees and costs related thereto, subject to any fee and/or cost waivers provided to the Developer by the City, if any.

5.06 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only the building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City, subject to any fee waivers provided to the Developer by the City, if any.

## SECTION 6. CONDITIONS

The following conditions shall be complied with to the City's satisfaction not less than five business days prior to the Closing Date, unless otherwise specified below.

6.01 Title Policy. On the Closing Date, the Developer shall provide the City with a copy of the Title Policy showing the Developer in the title to each site comprising the Property.

6.02 Survey. The Developer has furnished the City with a Survey of each site comprising the Property.

6.03 Insurance. The Developer, at its own expense, shall insure each site comprising the Property in accordance with Section 13 hereof.

6.04 Opinion of Developer's Counsel. The Developer shall furnish the City with an opinion of counsel upon the execution of this Agreement in the form substantially set forth on Exhibit I of this Agreement.

6.05 Plans and Specifications. The Developer shall have submitted to DPD, and DPD shall have approved, the Plans and Specifications in accordance with Section 3.02.

6.06 Project Budget. The Developer shall have submitted to DPD, and DPD shall have approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

6.07 Other Governmental Approvals. The Developer shall have secured all other necessary approvals and permits required by any State, federal, or local statute, ordinance or regulation for construction of the Project and shall submit evidence thereof to DPD.

**6.08 Financing.** The Developer shall have furnished proof acceptable to DPD, in its sole discretion that it has equity and financing commitments for the financing described in Exhibit F attached hereto otherwise sufficient to complete the Project and satisfy its obligations under this Agreement. The Developer has furnished proof as of the Closing Date that the proceeds of the Lender Financing are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity) and Other Funds to complete the Project. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

**6.09 Evidence of Clean Title.** The Developer shall have provided the City with current searches under its name and the names of its partners as follows:

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

showing no liens against any such entities or persons, the Property or any fixtures now or hereafter attached thereto, except for permitted liens consented to by the City and mortgages relating to the Lender Financing.

**6.10 Financial Statements.** The Developer shall have provided such financial statements as may require, in its sole discretion.

**6.11 Environmental Matters.** The Developer shall have provided to the City a phase I environmental site assessment for each site comprising the Property, which assessments shall not indicate any unsatisfactory environmental conditions, as determined by DPD, in its sole discretion.

**6.12 Entity Documents.** The Developer shall provide a copy of its Certificate of Limited Partnership, containing the original certification of the Secretary of State of Illinois; a certificate of existence for a general partner's certificate in such form and substance as the Corporation Counsel may require; partner consents as may be required, the Developer's limited partnership agreement; and such other comparable documentation as the City may request for the Developer's partners and indirect owners. The Developer has provided to the City an Economic Disclosure Statement in the City's current form dated as of the Closing Date.

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



6.14 Other Documents. The Developer shall provide such other documents as DPD may reasonably request in order to confirm the Developer's ability to complete the Project and thereafter operate the Project in accordance with the terms of this Agreement, including, without limitation, any regulatory or land use agreements, escrow agreements, marketing plans, tenant selection plans, leases, operating agreements, management agreements, and payment and performance bonds which shall name the City as a co-obligee and such other DPD closing documents as are customary or as DPD may reasonably require.

## SECTION 7. AGREEMENTS WITH CONTRACTORS

7.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 7.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.02(b) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 7.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, the Developer does not solicit bids pursuant to Section 7.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed 10% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 7.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

7.02 Construction Contract Prior to the execution thereof, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 7.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

**7.03 City Resident Employment Requirement.** The Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers"), 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 of Chicago 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 construction of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and the other Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both skilled and unskilled labor positions.

The Developer and the other Employers may request a reduction or waiver of this minimum percentage level of total worker hours performed by actual residents of the City of Chicago as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Purchasing Agent of the City of Chicago.

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

The Developer and the other Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the Project. The Developer and the other Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

The Developer and the other Employers shall provide full access to their employment records to the Purchasing Agent, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer and the other Employers 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 as evidenced by the (final) Certificate.

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

Good faith efforts on the part of the Developer and the other Employers 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 Purchasing Agent) 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 and the other Employers failed to ensure the fulfillment of the requirement of this Section concerning the

worker hours performed by actual Chicago residents or has 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 Chicago to the degree stipulated in this Section. Therefore, in such case of non-compliance it is agreed that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Project Budget (as the same shall be evidenced by approved contract value for the actual contracts), shall be surrendered by the Developer and/or the other Employers 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 and/or the other Employers or employee to prosecution. Any retainage to cover contract performance that may become due to the Developer and the other Employers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination whether the Developer and the other Employers must surrender damages as provided in this paragraph. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only. In addition, the Developer shall make good faith efforts that all other contracts entered into in connection with the Project for work done, services provided or materials supplied shall be let to persons or entities whose main office and place of business are located within the City, subject to applicable HUD restrictions.

Nothing herein provided shall be construed to be a limitation upon the "Notice of 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.

The Developer shall cause or require the provisions of this Section 7.03 to be included in all construction contracts and subcontracts related to the Project.

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

7.05 Maintaining Records. On a monthly basis until completion of construction of the Project, the Developer shall provide to DPD reports in a form satisfactory to DPD evidencing its compliance with Section 7.01.

7.06 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 11 hereof.

7.07 Other Provisions In addition to the requirements of this Section 7, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 18.22 (Prevailing Wage), Section 11 (e) (Employment Opportunity), Section 7.03 (City Resident Employment Requirement), Section 11 (MBE/WBE Requirements, as applicable), Section 13 (Insurance) and Section 15.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered into by the Developer in connection with the Project shall be made available to DPD upon request. The Developer has the right to delete proprietary information from such contracts or subcontracts, provided, however, that upon DPD's request, the Developer shall make available such proprietary information for review by any authorized City representative.

## **SECTION 8. COMPLETION OF CONSTRUCTION**

**8.01 Certificate of Completion.** Upon completion of the construction of the Project and related redevelopment activities constituting the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to construct the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

**8.02 Effect of Issuance of Certificate; Continuing Obligations.** The Certificate relates only to the construction of the Project and related redevelopment activities, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms

Those covenants specifically described at Section 9.01 (n) and Sections 9.02 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. 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 18.14 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

(a) subject to the provisions of Section 16.02, the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete the Project and to pay for its costs out of City Funds or other City monies. In the event that the aggregate cost of completing the Project exceeds the amount of City Funds available, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such work in excess of the available City Funds.

**8.04 Notice of Expiration of Term of Agreement** Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired

## SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

The Developer represents, warrants and covenants to the City as follows:

9.01 General. The Developer represents, warrants and covenants that:

(a) the Developer is an Illinois limited partnership duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary partnership action and will not violate its partnership agreement as amended and supplemented, any applicable provision of law, or constitute a material breach of, default under or require any consent under, any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted pursuant to the terms of this Agreement, including Section 18.14 hereof, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property, subject to those matters shown in the Title Policy and to such other matters as to which DPD may consent in writing. The Developer may make application to HUD for a Transfer of Physical Assets in accordance with paragraph R-9 of the HUD-Required Provisions Rider attached hereto;

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

(f) the Developer shall obtain and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to construct, complete and operate its business at the Property;

(g) the Developer is not aware of any default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound which would materially affect its ability to perform hereunder;

(h) the Financial Statements when submitted will be, complete and correct in all material respects and will accurately present the assets, liabilities, results of operations and financial condition of the Developer; and

(i) the Developer is satisfied that it has taken any measures required to be taken to bring the Property and the Project into compliance with Environmental Laws and that the Property is suitable for its intended use;

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

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

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

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

(n) the Developer shall not convert the Project to a condominium or co-operative form of ownership during the Term of the Agreement but shall at all time operate the Project as a residential rental property in accordance with the Affordability Covenants

(o) the Developer shall operate or cause the Project, to be maintained and operated so that units subject to the Affordability Covenants shall continue to be affordable housing units for the period of time specified in the Municipal Code

9.02 Covenant to Redevelop. The Developer shall redevelop the Property substantially in accordance with the Agreement and all Exhibits attached hereto, the TIF Ordinances, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer, including specifically, but, without limitation, the Affordability Covenants. The covenants set forth in this Section 9.02 shall run with the land and be binding upon any transferee of the Property.

9.03 Redevelopment Plan. The Developer represents that the Project shall be in compliance with all of the terms of the Redevelopment Plan.

9.04 Use of Available Incremental Revenues. Available Incremental Revenues disbursed to, or on behalf of, the Developer shall be used solely to pay or reimburse the Developer for the TIF-Funded Improvements as provided in this Agreement

9.05 Other Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole

discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. Developer shall not have any liability to the City with respect to any disclosures made in connection with any such issuance of Bonds that are 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.

9.06 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, no Affiliate of the Developer may receive any part of the City Funds, directly or indirectly, through reimbursement of the Developer pursuant to Section 4 or otherwise, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvements. The Developer shall provide information with respect to any entity to receive the City Funds (by reimbursement or otherwise), upon DPD's request, prior to any such disbursement.

9.07 Conflict of Interest. The Developer represents and warrants that no member, official or employee of the City, or member of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City in connection with the Project, owns or controls (or has owned or controlled) any interest, direct or indirect, in the Developer's business or the Property

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

9.09 Financial Statements The Developer shall maintain and provide to DPD its Financial Statements at the earliest practicable date but no later than 120 days following the end of the Developer's fiscal year, each year for the Term of the Agreement

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

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

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such

manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 9.11); or

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

**9.12 Developer's Liabilities.** The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to perform its obligations under this Agreement.

**9.13 Compliance with Laws.** To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, the Developer shall provide copies of any documentary evidence of compliance of such laws which may exist, such as, by way of illustration and not limitation, permits and licenses.

**9.14 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 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 any 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.

#### **9.15 Real Estate Provisions**

(a) **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, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project, including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer shall have the right to challenge real estate taxes applicable to the Property provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in



any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option, (i) the Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly paid to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, City, in its sole discretion, may require the Developer to submit to City audited Financial Statements at the Developer's own expense. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.15(b) below.

(b) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum equalized assessed value of the Property ("Minimum Equalized Assessed Value") anticipated to be necessary to generate Incremental Taxes sufficient to pay the TIF-Funded Improvements as shown on Exhibit L attached hereto for the years noted on Exhibit L and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit L.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that this Agreement is in effect.

(iii) No Reduction in Equalized Assessed Value. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the equalized assessed value of all or any portion of the Property or the Project below the amount of the Minimum Equalized Assessed Value as shown in Exhibit L.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to

interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either City or by any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project to an amount not greater than the Minimum Equalized Assessed Value.

(c) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.12 are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the date of execution of the Agreement. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferee from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

9.16 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 9 or 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 be in effect throughout the Term of the Agreement.

## SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

10.01 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, and covenants that: (a) the Incremental Taxes Fund will be established, (b) the Incremental Taxes will be deposited therein, and (c) such funds shall remain available to pay the City's obligations under Sections 4.02 and 4.04 as the same become due and continue to be payable from Available Incremental Revenues under the Act. The City agrees not to amend the Redevelopment Plan so as to materially impair its ability to pay in full any amounts due from the City under this Agreement without the written consent of the Developer and the Lender.

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 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 11. EMPLOYMENT OPPORTUNITY

The Developer and its successors and assigns hereby agree, and shall contractually obligate its or their contractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of the Agreement with respect to the Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago

Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: 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.

(b) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(c) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto

(d) 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 11, during the course of construction of the Project, at least the following percentages of MBE/WBE Budget shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs").

- a. at least 25 percent by MBEs,
- b. at least 5 percent by WBEs.

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 the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials 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 11.

The Developer shall deliver quarterly reports to DPD 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 DPD in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and DPD shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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.

Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 11 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

Prior to the commencement of the Project, the Developer shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 11. The General Contractor and all major Subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 11, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 11 to the monitoring staff of DPD. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 11, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided hereunder, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payments to, or on behalf of, the Developer, or (3) seek any other remedies against the Developer available at law or in equity.

(e) The Developer will include the foregoing provisions in every contract entered into in connection with the Project and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or Affiliate, as the case may be.

## SECTION 12. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, and the Redevelopment Plan

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against City as

a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of 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 Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of City or Developer or any of its Affiliates under any Environmental Laws relating to the Property. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

### SECTION 13. INSURANCE

The Developer shall procure and maintain, or cause to be maintained, at its sole cost and expense, at all times throughout the Term of the Agreement, and until each and every obligation of the Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developer, any contractor or subcontractor.

- (a) Prior to Execution and Delivery of this Agreement: At least 10 business days prior to the execution of this Agreement, the Developer shall procure and maintain the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included.

- (b) Construction: Prior to the construction of any portion of the Project, the Developer shall procure and maintain, or cause to be maintained, the following kinds and amounts of insurance.

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this

Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included.

(iii) Automobile Liability Insurance

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, the Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage.

(iv) All Risk Builders Risk Insurance

When the Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, Developer, such contractor or subcontractor shall provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000 00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project

(c) Other Provisions

Upon DPD's request, the Developer shall provide DPD with copies of insurance policies or certificates evidencing the coverage specified above. If the Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or Event of Default by the Developer hereunder) obtain and maintain such insurance policies and take any other action which the City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by the City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by the Developer upon demand by the City. Any

monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

The Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by the Developer and such contractors or subcontractors shall in no way limit the Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. The Developer shall require all contractors and subcontractors to carry the insurance required herein, or the Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

The Developer agrees, and shall cause its insurers and the insurers of each contractor and subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

The Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

The City maintains the right to modify, delete, alter or change the provisions of this Section 13 upon receipt of HUD's prior written consent and so long as such action does not, without the Developer's prior written consent, increase the requirements set forth in this Section 13 beyond that which is reasonably customary at such time

#### SECTION 14. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses including, without limitation, reasonable attorneys' fees and court costs, suffered or incurred by the City arising from or in connection with (i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay contractors or materialmen in connection with the Project, or (iii) the existence of any material misrepresentation or omission in the Redevelopment Plan or any other document related to this Agreement and executed by the Developer that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer or (iv) the Developer's failure to cure its misrepresentation in this Agreement or any other agreement relating thereto within the cure period provided. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

#### SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT

15 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, General

Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers, lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying and examination by an authorized representative of the City, at the Developer's expense. The Developer incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered by the Developer with respect to the Project.

15.02 Inspection Rights. Any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## SECTION 16. DEFAULT AND REMEDIES

16.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Sections 16.03 and 18.16, shall constitute an "Event of Default" by the Developer hereunder:

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

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity, if such failure may have a material adverse effect on the Developer's business, property, assets, operating condition, financial or otherwise;

(c) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary), or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures not hereafter attached thereto, other than the permitted liens consented to by the City and mortgages, regulatory and land use agreements relating to the Lender Financing, or the use of certain Project units by the CH Housing Authority, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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



such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for 30 days after such entry without a stay of enforcement or execution;

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

(i) prior to the issuance of a Certificate, a change in the ownership of the Project without DPD's prior written consent, unless such change is a transfer of the limited partner's interest in the Developer after the full funding of all required limited partner capital contributions, or prior to such full funding if the transferee or limited partner agrees to remain liable for capital contributions until such full funding occurs, or such change is permitted under the HUD-Required Provisions Rider attached hereto;

(j) prior to the issuance of a Certificate, a change in the Developer's general partner, addition of a general partner or sale or other transfer of all or a controlling interest in the ownership of the general partner without DPD's prior written consent, unless such change is permitted under the HUD-Required Provisions Rider attached hereto; such DPD consent shall not be unreasonably withheld in the case of a "for cause" removal or change in the general partner pursuant to the terms of the Developer's limited partnership agreement,

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

#### 16.02 Remedies.

(a) Subject to the provisions of paragraph (b) of this section, upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be awarded damages for failure of performance, or both, provided, however, that the City shall not obtain a lien against the Property. Any monetary remedies, including but not limited to judgments shall be satisfied from distributable Surplus Cash only.

(b) Notwithstanding any other provision in this Agreement, the City shall not terminate this Agreement or suspend disbursement of the City Funds upon the occurrence of an Event of Default unless (i) foreclosure proceedings have been commenced under the mortgage securing the FHA-Insured Loan or a deed in lieu of such foreclosure has been executed and delivered or (ii) HUD consents to such termination or suspension of disbursement.

16.03 Curative Period In the event the Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer shall have failed to perform such covenant within 30 days of its receipt of a written notice from the City specifying the nature

of the default; provided, however, with respect to those defaults which are not reasonably capable of being cured within such 30-day period, if the Developer has commenced to cure the alleged default within such 30-day period and thereafter continues diligently to effect such cure, then said 30-day period shall be extended to 60 days upon written request from the Developer to the City delivered during such 30-day period and upon further written request from the Developer to the City delivered during such 60-day period, such 60-day period shall be extended to 90 days; provided, further, that such default is cured in any event within 120 days of the date of the Developer's receipt of a written default notice

16.04 Right to Cure by Lender and Investor. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it which could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the Parties identified in Section 17 and the Lender and Investor (as defined below) shall have the right (but not obligation) to cure such an Event of Default under the following conditions:

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

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by any party entitled to cure such default within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the party seeking such cure must continue diligently to pursue such cure and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession.

## SECTION 17. NOTICE

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

If to City:

City of Chicago  
Department of Planning and Development  
121 North LaSalle, Suite 1101  
Chicago, IL 60604  
Attention: Deputy Commissioner  
of Development Finance,

With Copies To:

City of Chicago  
Department of Law  
Finance and Economic Development Division

121 North LaSalle Street, Room 600  
Chicago, IL 60602

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

If to Developer: Montclare Senior Residences Phase II, L.P.  
c/o MR Properties, LLC  
1350 E. Touhy Avenue, Suite 370 W  
Des Plaines, Illinois 60618  
Chicago, Illinois 60653  
Attn: Philip I. Mappa

with a copy to: Duane Morris LLP  
[REDACTED]  
[REDACTED]  
Attn: [REDACTED]

and: U.S. Department of Housing and Urban  
Development  
Chicago Regional Office, Region V  
77 West Jackson Boulevard  
Chicago, Illinois 60604  
Attn: Director of Multifamily Housing  
HUD Project No: 071-35725

and Apollo Housing Capital, LLC,  
its successors and assigns ("Investor")  
600 Superior Avenue  
Suite 2300  
Cleveland, OH 44114  
Attn: General Counsel

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

#### SECTION 18. MISCELLANEOUS

18 01 Amendment. This Agreement and the Exhibits attached hereto (excluding Exhibits A and C, which may be unilaterally amended by the City provided such amendments do not, in the City's good faith but sole discretion, have a material adverse effect on the Project) may not be amended without the prior written consent of the City and the Developer.

18 02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

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

18.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18 05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing

18 06 Remedies Cumulative The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18 08 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

18 09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18 10 Severability If any provision in this Agreement, or any paragraph, sentence, clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18 11 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.

18.12 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.

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

18.14 Assignment. At any time during the term of the Agreement, the Developer may assign this Agreement, with the City's prior written consent, to an entity which acquires the Property pursuant to paragraph R-9 of the HUD-Required Provisions Rider attached hereto or to the Lender provided that such assignee continues to operate the Property and the Project for the same purpose for which it is currently used and operated. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 9.01(n), 9.02, 9.15 and 9.16 hereof, for the Term of the Agreement and shall execute an affidavit to the effect that it is in compliance with all applicable City ordinances and is otherwise qualified to do business with the City. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns. The provisions of this Agreement pertaining to the obligations of the City shall be binding upon the City.

18.16 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, 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 quantity 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 respective obligations hereunder.

18.17 HUD Rider. The document entitled "HUD-Required Provisions Rider" attached hereto is hereby incorporated into this Agreement as if fully set forth herein and shall remain a part of this Agreement so long as the Secretary of HUD or his/her successors or assigns are the insurers or holders of the Mortgage Note (as defined in the HUD-Required Provisions Rider). Upon such time as HUD is no longer the insurer or holder of the Mortgage Note or such time as the Mortgage Note is paid in full, the parties hereto agree that the HUD-Required Provisions Rider shall no longer be a part of this Agreement.

18.18 Exhibits. All of the Exhibits referred to herein or attached hereto are incorporated herein by reference

18.19 Business Economic Support Act Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in

addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

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

**18.22 No Business Relationship with City Elected Officials.**

Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, 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 official 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. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official in connection with the transactions contemplated hereby, shall be grounds for termination of the Redevelopment Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Redevelopment Agreement or the transactions contemplated thereby.

**18.23 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 18.22

[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.

MONTCLARE SENIOR RESIDENCES PHASE II, L.P., an Illinois limited partnership

By: MONTCLARE PARTNERS II, L.P., an Illinois limited partnership, and its sole general partner.

By: MONTCLARE SENIORS II, CORP., an Illinois corporation, and its sole general partner

By: \_\_\_\_\_  
Phillip I. Mappa  
Its: President

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

By: \_\_\_\_\_  
Commissioner

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

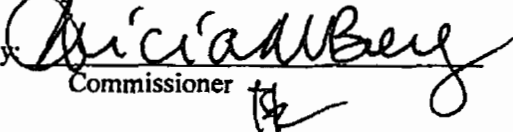
MONTCLARE SENIOR RESIDENCES PHASE II, L.P., an Illinois limited partnership

By: MONTCLARE PARTNERS II, L.P., an Illinois limited partnership, and its sole general partner.

By: MONTCLARE SENIORS II, CORP., an Illinois corporation, and its sole general partner.

By: \_\_\_\_\_  
Phillip I. Mappa  
Its: President

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

By:   
Commissioner



STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Terry Selfest, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Phillip I. Mappa, personally known to me to be the President of Montclare Seniors II, Corp., an Illinois corporation (the "Corporation") on its own behalf and in its capacity as the general partner of Montclare Partners II, L.P. an Illinois limited partnership, on its own behalf and in its capacity as general partner (the "General Partner") of Montclare Senior Residences Phase II, L.P., an Illinois limited partnership (the "Partnership"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 1st day of ~~SEPTEMBER~~ 2003 in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation as its free and voluntary act and as the free and voluntary act of the Corporation, the General Partner and the Partnership for the uses and purposes therein set forth.

Terry A. Selfest  
Notary Public

My commission expires 7/12/05

(SEAL)

Notary Public  
Terry A. Selfest  
State of Illinois  
Expires 7/12/05

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Dionisia Leal, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the Commissioner of the Department of Planning and Development 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 1st day of ~~September~~, 2003 in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Dionisia Leal  
Notary Public

My commission expires 03/01/05

(SEAL)



## HUD-REQUIRED PROVISIONS RIDER

THIS RIDER is attached to and made a part of that certain Redevelopment Agreement (the "Document"), dated as of ~~September 1~~, 2003, entered into by Montclare Senior Residences Phase II, L.P., an Illinois limited partnership, its successors and assigns (the "Owner") and the City of Chicago, an Illinois municipal corporation, its successors or assigns (the "Subordinate Lender") relating to the property commonly known as 6640 W. Belden Avenue in Chicago, Illinois. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; the term "FHA" shall mean the Federal Housing Administration, an administrative unit within HUD; the term "Project" shall have the same meaning as in the HUD Regulatory Agreement described below; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured Mortgage Note (as defined below) for the Project (Project No. [071-35725]):

- A. Commitment for Insurance of Advance, dated June 20, 2003, as amended, issued by the Secretary of HUD to Developers Mortgage Corporation as subsequently assigned to Midland Loan Services, Inc. ("Mortgagee");
  - B. Building Loan Agreement, dated August 1, 2003 between the Owner and Mortgagee;
  - C. Mortgage Note, dated as of August 1, 2003 made by the Owner payable to the order of Mortgagee in the principal amount of approximately \$11,200,000 (the "Note");
  - D. Mortgage, dated as of August 1, 2003, made by the Owner in favor of Mortgagee and encumbering the Project as security for the said Mortgage Note (the "Mortgage");
  - E. Security Agreement dated as of August 1, 2003, between the Owner, as debtor, and Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;
  - F. UCC-1 Financing Statements made by the Owner, as debtor, in favor of Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party; and
  - G. Regulatory Agreement, dated as of August 1, 2003, between the Owner and HUD (the "HUD Regulatory Agreement").
- R-1 Notwithstanding anything in the Document to the contrary, the provisions of the Document are subordinate to all applicable federal statutes, HUD mortgage insurance regulations and related HUD directives and administrative requirements, except those HUD mortgage insurance regulations, related HUD directives and administrative requirements which have been waived in writing by HUD with respect to the Project. The provisions of the Document are also expressly subordinate to the HUD/FHA Loan Documents. In the event of any conflict between the Document and the provisions of any applicable federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements, or HUD/FHA Loan Documents, the federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements and

HUD/FHA Loan Documents shall control, unless any provision of such regulation, directive, requirement or HUD/FHA Loan Documents is waived in writing by HUD with respect to the Project.

- R-2 Failure on the part of the Owner to comply with the covenants contained in the Document shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Project.
- R-3 Compliance by the Owner with the provisions and covenants of the Document and enforcement of the provisions or covenants contained in the Document, including, but not limited to, any indemnification provisions or covenants, will not and shall not result in any claim or lien against the Project, any asset of the Project, the proceeds of the Mortgage, any reserve, or deposit required by HUD in connection with the Mortgage transaction or the rents or other income from the Project, other than distributable "Surplus Cash" (as that term is defined in the HUD Regulatory Agreement).
- R-4 No amendment to the Document made after the date of the HUD initial endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment made after the aforesaid date to any HUD/FHA Loan Document shall be binding upon the Subordinate Lender unless the Subordinate Lender has consented thereto in writing.
- R-5 Unless waived in writing by HUD with respect to the Project, any action prohibited or required by HUD pursuant to applicable federal law, HUD regulations, HUD directives and administrative requirements or the HUD/FHA Loan Documents, shall supersede any conflicting provision of the Document, and the performance or failure to perform of the Owner in accordance with such laws, regulations, directives, administrative requirements or HUD/FHA Loan Documents shall not constitute an event of default under the Document.
- R-6 So long as HUD is the insurer or holder of any mortgage on the Project or any indebtedness secured by a mortgage on the Project, the Owner shall not and is not permitted to pay any amount required to be paid under the provisions of the Document except from distributable Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement unless otherwise specifically permitted in writing by HUD.
- R-7 In the event of the appointment by any court of any person, other than HUD or the Mortgagee, as a receiver, as a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Document (if any), with or without court action, no rents, revenue or other income of the Project collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Document, except from distributable Surplus Cash in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing enforcement shall operate the Project in accordance with all provisions of the HUD/FHA Loan Documents.

- R-8 A duplicate of each notice given, whether required or permitted to be given, under the provisions of the Document shall also be given to:

Department of Housing and Urban Development  
77 West Jackson Blvd.  
Chicago, Illinois 60604  
Attention: Director of Multi-Family Housing  
Project No. [071-35725]

HUD may designate any further or different addresses for duplicate notices.

- R-9 Notwithstanding anything in the Document to the contrary, the Owner and its successors and assigns may sell, convey, transfer, lease, sublease or encumber the Project or any part thereof, provided it obtains the prior written consent of HUD to any such sale, conveyance, transfer, lease, sublease or encumbrance. Notwithstanding anything in the Document to the contrary, the Owner may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served on the Subordinate Lender. Within 90 days after such service, the Subordinate Lender shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, on HUD, the Mortgagee and the Owner. No such transfer shall occur or be effective until the Subordinate Lender's requirements shall have been satisfied. In the event the Subordinate Lender fails to serve such notice on HUD, the Mortgagee and the Owner within said time, then any consent by HUD to such transfer shall be deemed to be the Subordinate Lender's prior written consent to such transfer and consummation of such transfer shall not be a default under the Document.
- R-10 The covenants contained in the Document shall automatically terminate in the event of a foreclosure or deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the Project, or any portion thereof. Upon such termination, the Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.
- R-11 Notwithstanding anything in the Document to the contrary, the provisions of this HUD Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

Executed as of the date set forth above.

**MONTCLARE SENIOR RESIDENCES PHASE II, L. P., an Illinois limited partnership**

**By: MONTCLARE PARTNERS II, L.P., an Illinois limited partnership, and its sole general partner.**

**By: MONTCLARE SENIORS II, CORP., an Illinois corporation, and its sole general partner.**

**By: \_\_\_\_\_  
Phillip I. Magallon  
Its: President**

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to by the undersigned as of the \_\_\_ day of \_\_\_\_\_, 2003.

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

\_\_\_\_\_  
**By: Commissioner**

Executed as of the date set forth above.

**MONTCLARE SENIOR RESIDENCES PHASE II, L. P., an Illinois limited partnership**

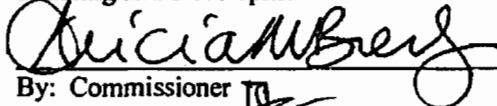

**By: MONTCLARE PARTNERS II, L.P., an Illinois limited partnership, and its sole general partner.**

**By: MONTCLARE SENIORS II, CORP., an Illinois corporation, and its sole general partner.**

By: \_\_\_\_\_  
Phillip I. Mappa  
Its: President

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to by the undersigned as of the \_\_\_ day of \_\_\_\_\_, 2003.

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

  
By: Commissioner 

## **Exhibit A**

### *Montclare Redevelopment Project Area Legal Description.*

Lot 2 (except the east 40 feet thereof) and all of Lots 4, 5 and 6 (in the west half of the northeast quarter of Section 31, Township 40, Range 13) in Owners' Division of that part of the east 400 feet of the west of the northeast of Section 31, Township 40 North, Range 13 East of the Third Principal Meridian, lying northerly of the northerly line of the right-of-way of Chicago, Milwaukee and St. Paul Railroad, excepting therefrom streets and that part of the east 50 feet thereof deeded to the Chicago Suburban Railroad.



## Exhibit B

**PARCEL A:** THAT PART OF LOTS 4 AND 5 IN OWNER'S DIVISION OF THAT PART OF THE EAST 400 FEET OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHERLY OF THE NORTHERLY LINE OF THE CHICAGO, MILWAUKEE AND SAINT PAUL RAILROAD EXCEPTING THEREFROM STREETS AND THAT PART OF THE EAST 80 FEET THEREOF DEEDED TO THE CHICAGO SUBURBAN RAILROAD, ACCORDING TO THE PLAN DATED MARCH 16, 1926 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT NUMBER 9208703, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE WEST LINE OF LOTS 1 THROUGH 6, BOTH INCLUSIVE, IN SAID OWNER'S DIVISION WITH THE SOUTH LINE OF THE NORTH 146 FEET OF SAID LOT 5, THENCE NORTH 00 DEGREES, 00 MINUTES AND 34 SECONDS WEST ALONG THE WEST LINE OF SAID LOTS 1 THROUGH 6, A DISTANCE OF 278.82 FEET TO A POINT, THENCE SOUTH 90 DEGREES 00 MINUTES AND 00 SECONDS EAST A DISTANCE OF 30.45 FEET TO A POINT, THENCE SOUTH 00 DEGREES 00 MINUTES AND 00 SECONDS EAST A DISTANCE OF 6.25 FEET TO A POINT, THENCE SOUTH 90 DEGREES, 00 MINUTES AND 00 SECONDS EAST A DISTANCE 169.50 FEET TO A POINT, THENCE NORTH 00 DEGREES, 00 MINUTES AND 00 SECONDS WEST, A DISTANCE OF 6.25 FEET TO A POINT, THENCE SOUTH 90 DEGREES, 00 MINUTES AND 00 SECONDS WEST, A DISTANCE OF 70 FEET TO A POINT ON AN EXISTING FENCE LINE (BEING A CHAIN LINK FENCE) THENCE SOUTH 00 DEGREES, 01 MINUTES AND 49 SECONDS EAST ALONG SAID FENCE LINE AND ITS SOUTHERLY EXTENSION, A DISTANCE OF 279.74 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH 146 FEET OF SAID LOT 5, THENCE NORTH 49 DEGREES, 19 MINUTES AND 09 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTH 146 FEET OF SAID LOT 5, A DISTANCE OF 330.06 FEET TO THE BEGINNING.

■

**PARCEL B:** A PERPETUAL AND NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER, UPON, ALONG AND THROUGH THE WEST 80 FEET OF THE FOLLOWING DESCRIBED LAND AND SOUTH OF THE NORTHERLY RIGHT-OF-WAY LINE OF BELDEN AVENUE AS CREATED IN THE GRANT OF EASEMENT DATED SEPTEMBER 25, 2001 AND RECORDED SEPTEMBER 27, 2001 AS DOCUMENT 1090194E:

LOT 2 (EXCEPT THE EAST 40.00 FEET THEREOF) AND THAT PART OF LOT 4 IN OWNER'S DIVISION OF THAT PART OF THE EAST 400 FEET OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHERLY OF THE NORTHERLY LINE OF THE CHICAGO, MILWAUKEE AND SAINT PAUL RAILROAD, EXCEPTING THEREFROM STREETS AND THAT PART OF THE EAST 80 FEET THEREOF DEEDED TO THE CHICAGO SUBURBAN RAILROAD, ACCORDING TO THE PLAN DATED MARCH 16, 1926 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT 9208703, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 2; THENCE SOUTH 89 DEGREES, 19 MINUTES, 09 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 2, A DISTANCE OF 310.00 FEET TO A POINT 40.00 FEET WEST OF THE EAST LINE OF SAID LOT 2; THENCE SOUTH 00 DEGREES, 00 MINUTE, 34 SECONDS EAST ALONG A LINE 40.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOT 2, A DISTANCE OF 150.00 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 89 DEGREES, 19 MINUTES, 09 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 4.50 FEET TO A POINT; THENCE SOUTH 09 DEGREES, 28 MINUTES, 37 SECONDS EAST, A DISTANCE OF 45.76 FEET TO A POINT; THENCE SOUTH 01 DEGREE, 23 MINUTES, 23 SECONDS EAST, A DISTANCE OF 60.94 FEET TO A POINT; THENCE SOUTH 13 DEGREES, 40 MINUTES, 45 SECONDS EAST, A DISTANCE OF 29.48 FEET TO A POINT; THENCE SOUTH 00 DEGREE, 01 MINUTE, 43 SECONDS EAST, A DISTANCE OF 131.72 FEET TO A POINT; THENCE NORTH 90 DEGREES, 00 MINUTE, 00 SECOND WEST, A DISTANCE OF 70.00 FEET TO A POINT; THENCE SOUTH 00 DEGREE, 00 MINUTE, 00 SECOND EAST, A DISTANCE OF 5.25 FEET TO A POINT; THENCE NORTH 90 DEGREES, 00 MINUTE, 00 SECOND WEST, A DISTANCE OF 169.50 FEET TO A POINT; THENCE NORTH 00 DEGREE, 00 MINUTE, 00 SECOND WEST, A DISTANCE OF 5.25 FEET TO A POINT; THENCE NORTH 90 DEGREES, 00 MINUTE, 00 SECOND WEST, A DISTANCE OF 30.45 FEET TO A POINT ON THE WEST LINE OF LOTS 1 TO 6, BOTH INCLUSIVE, IN SAID OWNER'S DIVISION; THENCE NORTH 00 DEGREE, 00 MINUTE, 24 SECONDS WEST ALONG THE WEST LINE OF SAID LOTS, A DISTANCE OF 420.23 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**EXHIBIT C**

**TIF-FUNDED IMPROVEMENTS  
REDEVELOPMENT PLAN**

<u>TIF-FUNDED IMPROVEMENTS*</u>	<u>AMOUNT</u>
Acquisition	\$1,250,000
50% of the cost of construction of the new housing units in the Project (to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act)	5,947,000
<b>TOTAL</b>	<u>* \$7,197,000</u>

The Developer may reallocate amounts among these TIF-Funded Improvements, and add TIF-Funded Improvements not included in the above list, upon the written approval of the Department of Planning and Development.

\*Line -Item Category. Additional sub-line-items may be added to ensure total TIF-Funded Improvements are equal to 7,197,700

**EXHIBIT D**

**REDEVELOPMENT PLAN**

**[NOT ATTACHED FOR ORDINANCE OR RECORDING PURPOSES]**

CITY OF CHICAGO

ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

Pursuant to Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code"), the following information is required to be disclosed prior to any City agency, department or City Council action. Please fully complete each statement, with all information current as of the attestation date. Every question must be answered. If a question is not applicable, answer with "N/A". An incomplete EDS shall be returned and any City action shall be interrupted.

Please clearly print or type all responses.

WHO MUST FILE

- 1 The Undersigned: Any individual or entity (the "Undersigned") making an application to the City of Chicago (the "City") for action requiring City Council or other City agency approval must file this EDS.
2 Entities holding an interest in the Undersigned: Whenever an ownership interest in the undersigned (such as shares of stock of the Undersigned or a limited partnership interest in the Undersigned, for example) is held or owned by a legal entity (such as a corporation or partnership, for example) rather than an individual, each such legal entity must also file an EDS on its own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to update this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction. If you need extra space to fully answer a question, you may insert additional pages.

I. GENERAL INFORMATION

- A Exact legal name of Undersigned: Montclare Seniors II Corp
B Business address: c/o MR Properties, L.L.C., 1350 E. Touhy Avenue, Suite 370W, Des Plaines, IL 60018
C Telephone: 847-699-6600
D Fax: 847-699-6613
E Name of contact person: Philip J. Mappa
F Project Information: (1) City agency requesting EDS: Department of Planning and Development; (2) City action requested (e.g., loan, grant, sale of property): Financing (TIF); (3) property location: 6650 W. Belden Avenue, Chicago, IL 60707; (4) project description: 181 Units of affordable housing for seniors.

II. DISCLOSURE OF OWNERSHIP INTERESTS

A. GENERAL INFORMATION

- 1 Indicate whether the Undersigned is an individual or legal entity and, if a legal entity, indicate the type of entity below.
[ ] Individual
[X] Business corporation
[ ] Not-for-profit corporation
[ ] General partnership
[ ] Limited partnership
[ ] Limited liability company

- Joint venture
- Sole proprietorship
- Other entity (please specify) \_\_\_\_\_

2 State of incorporation or organization, if applicable

Illinois

3 For corporations, limited partnerships and limited liability companies not organized in the State of Illinois Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes     No    "N.A."

**B ORGANIZATION INFORMATION\***

1 FOR CORPORATIONS

a List below the names and titles of the executive officers and directors of the corporation

Name	Title
<u>Phillip J. Mappa</u>	<u>President and Treasurer</u>
<u>Colin A. Regan</u>	<u>Vice President and Secretary</u>

b For companies whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10 percent of the company's outstanding shares

Name	Business Address	Percentage Interest
	<u>"N.A."</u>	

c For companies that are not publicly traded pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder

Name	Business Address	Percentage Interest
<u>Affordable Housing Initiative</u>	<u>c/o Rev. Bruce Otto, 1519 N. Mohawk Street, Chicago, IL 60610</u>	<u>51%</u>
<u>Phillip J. Mappa</u>	<u>MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018</u>	<u>24.5%</u>
<u>Colin A. Regan</u>	<u>MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018</u>	<u>24.5%</u>

\*City ordinance requires that, whenever stock or beneficial interest is held by a corporation or other legal entity, the shareholder or other entity must make the disclosure as indicated herein

d For not-for-profit corporations, list below the officers and any paid executive of the corporation (if the not-for-profit has members who are legal entities, also list the members)

Name	Address
"N.A."	

**2 FOR PARTNERSHIPS**

For general or limited partnerships list below the name, business address and percentage of ownership interest of each partner For limited partnerships, indicate whether each partner is a general partner or a limited partner

Name	Business Address	Percentage Interest
"N.A."		

**3 FOR LIMITED LIABILITY COMPANIES**

a. List below the names and titles of the executive officers, if any, of the limited liability company If there are no officers, write "no officers "

Name	Title
"N A "	

b List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager If there are no managers, write "no managers "

Name	Business Address	Percentage Interest
"N A "		

**4 FOR LAND TRUSTS, BUSINESS TRUSTS OR ESTATES**

a List below the name of each individual or legal entity holding legal title to the property that is the subject of the trust

"N A "	

b List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held

Name	Business Address	Percentage Interest
	"N.A."	

**III. CERTIFICATION OF COMPLIANCE**

A. The Undersigned entity has not, in the past five years, been found in violation of any city, state or federal environmental law or regulation. If there have been any such violations, note them below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. The Undersigned entity is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor is the entity delinquent in paying any fine, fee, tax or other charge owed to the city. This includes all water charges, sewer charges, property taxes or sales taxes. If there are any such delinquencies, note them below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. The Undersigned entity hereby certifies that (1) any contractors/subcontractors retained in connection with the city project have not, in the past five years, been found in violation of any city, state or federal environmental law or regulation, (2) the Undersigned will not, without the city's prior written consent, use any contractors/subcontractors who have committed such violations, and (3) the Undersigned will not use any facility on the U.S. EPA's List of Violating Facilities in connection with the project for the duration of time that the facility remains on the list.

If the Undersigned is unable to so certify, provide an explanation \_\_\_\_\_  
\_\_\_\_\_

**IV. CHILD SUPPORT OBLIGATIONS**

**A. CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE**

For purposes of this part, "Substantial Owner" means any person who owns or holds a 10 percent or more interest in the Affiant.

If the Affiant's response below is #1 or #2, then all of the Affiant's Substantial Owners must remain in compliance with any such child support obligations until the transaction is completed. Failure of the Affiant's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one

1  No Substantial Owner has been declared in arrears on any child support obligations by the Circuit Court of Cook County or by another Illinois court of competent jurisdiction.

- 2        \_\_\_ The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- 3        \_\_\_ The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed, or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed, or both (a) and (b).
- 4        \_\_\_ There are no Substantial Owners.

**V. CERTIFICATION**

**A. The Undersigned and its principals (officers, directors, partners, members)**

1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government,
2. have not within a five-year period preceding the date hereof been convicted of a criminal offense or had a civil judgment rendered against them in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, a violation of federal or state antitrust statutes, fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property,
3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (2) above, and
4. have not within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default.
5. have not, within a five-year period preceding the date hereof, been convicted, or found liable in a civil proceeding, in any criminal or civil action instituted by the city or by the federal government, any state, or any other unit of local government.

**B. The Undersigned, or any party to be used in the performance of the Project (an "Applicable Party"), or any Affiliated Entity (meaning an entity that, directly or indirectly, has the legal authority to control the undersigned) of either the Undersigned or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not, during the three years prior to the date hereof or, with respect to an Applicable Party or any Affiliated Entity thereof, during the three years prior to the date of such Applicable Party's contract in connection with the Project**

1. bribed or attempted to bribe, or been convicted of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity,
2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or
3. made an admission of such conduct described in (1) or (2) above which is a matter of record, but has not been prosecuted for such conduct.

**C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code, and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General)**



D Neither the Undersigned nor any employee, official, agent or partner of the Undersigned is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3, as amended, supplemented and restated from time to time, (2) bid-rotating in violation of 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time, or (3) any similar offense of any state or of the United States of America which contains the same elements as the offense of bid-rigging or bid-rotating

E If the Undersigned is unable to certify to any of the above statements in this Section, the Undersigned shall explain below

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(If no explanation appears or begins on the lines above, it shall be conclusively presumed that the Undersigned certifies to each of the above statements )

**VI RETAINED PARTIES**

**A DEFINITIONS AND DISCLOSURE REQUIREMENTS**

- 1 Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the Undersigned has retained or expects to retain in connection with obtaining the contract or lease. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.
- 2 "Lobbyist" means any person (i) who, on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.
- 3 If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

**B CERTIFICATION**

Each and every attorney, lobbyist, accountant, consultant or other person retained or anticipated to be retained by the Undersigned in connection with obtaining the City assistance to which this EDS pertains is listed below

Name	Business Address	Relationship (attorney, lobbyist, etc )	Fees (indicate whether paid or estimated)
<u>See Statement Attached</u>			

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED \_\_\_\_\_

**VII. BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

**A. DEFINITIONS AND DISCLOSURE REQUIREMENT**

- 1 Pursuant to an ordinance approved by the City Council on December 2, 1998, the Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months prior to the date of execution of this EDS

- 2 A "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a "financial interest" shall not include (i) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment, (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution, (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

**B CERTIFICATION**

- 1 Has the Undersigned had a "business relationship" with any City elected official in the 12 months prior to the date of execution of this EDS?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s)

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**VIII. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code") have the same meanings when used in this Certification. Complete BOTH sections 1 and 2 in accordance with Section 2-156-110 of the Municipal Code.

- 1 Does any official or employee of the City of Chicago (the "City") have a financial interest in his or her own name or in the name of any other person in this contract, work, business or transaction?

Yes  No

If yes, identify the officials or employees having such interest and the nature of such interest

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- 2 Unless sold pursuant to a process of competitive bidding, no official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this section.

If the contract, work, business or transaction involves a City Property Sale, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the City Property Sale?

N/A (ie, the contract, work or transaction is not for a City Property Sale)  
 Yes

[ ] No

If yes, identify the officials or employees having such interest and the nature of such interest

\_\_\_\_\_  
\_\_\_\_\_

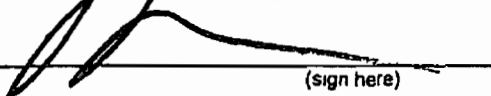
I further certify that no such financial interest in this contract, work, business or transaction will be acquired by any official or employee of the City

**IX CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Undersigned understands and agrees that.

- A. The certifications contained in this EDS shall become part of any contract awarded to the Undersigned by the City in connection with the City assistance to which this EDS pertains, and are a material inducement to the City's execution of such contract or other action with respect to which this EDS is being executed and delivered on behalf of the Undersigned. Furthermore, the Undersigned shall comply with the certifications contained herein during the term and/or performance of the contract or completion of the transaction.
- B. If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the transaction, terminate the Undersigned's participation in the transaction, and/or decline to allow the Undersigned to participate in other contracts or transactions with the City.
- C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted herein.

Montclare Seniors II Corp  
(Print or type name of individual or legal entity)

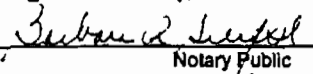
By   
(sign here)

Title of signatory: President

Print or type name of signatory: Philip I. Mappa

Date: January 22, 2003

Subscribed to before me this 22nd day of January, 2003 at Cook County, Illinois

  
Notary Public

Commission expires July 19, 2003





**CITY OF CHICAGO**  
**Department of Planning and Development**

**PRINCIPAL PROFILE SHEET**

**Company:** Montclare Partners II, L.P.

Form must be filled out **COMPLETELY** for individuals and entities owning any interest in order for application to be processed.  
 For TRUSTS or other entities owning an interest in the borrower, please provide complete information on the trustee and beneficiary on a separate sheet.

Name: <u>Philip I; Mappa</u> Home Address: <u>[REDACTED]</u> Telephone: <u>[REDACTED]</u> Social Security Number: <u>[REDACTED]</u> Date of Birth: <u>[REDACTED]</u> Driver's License Number: <u>[REDACTED]</u> License Plate Number: <u>[REDACTED]</u> Percentage Ownership of Company: <u>49.5%</u>
Name: <u>Colin A. Regan</u> Home Address: <u>[REDACTED]</u> Telephone: <u>[REDACTED]</u> Social Security Number: <u>[REDACTED]</u> Date of Birth: <u>[REDACTED]</u> Driver's License Number: <u>[REDACTED]</u> License Plate Number: <u>[REDACTED]</u> Percentage Ownership of Company: <u>49.5%</u>
Name: <u>Montclare Seniors II Corp.</u> Home Address: <u>[REDACTED]</u> Telephone: <u>[REDACTED]</u> Social Security Number: <u>[REDACTED]</u> Date of Birth: <u>N/A</u> Driver's License Number: <u>N/A</u> License Plate Number: <u>N/A</u> Percentage Ownership of Company: <u>17 *</u>

\*See separate Economic Disclosure Statement.

**FORM MUST BE TYPED**  
*Duplicate Form if Necessary*

CITY OF CHICAGO

ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT

Pursuant to Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code"), the following information is required to be disclosed prior to any City agency, department or City Council action. Please fully complete each statement, with all information current as of the attestation date. Every question must be answered. If a question is not applicable, answer with "N A". An incomplete EDS shall be returned and any City action shall be interrupted.

Please clearly print or type all responses.

WHO MUST FILE

- 1 The Undersigned Any individual or entity (the "Undersigned") making an application to the City of Chicago (the "City") for action requiring City Council or other City agency approval must file this EDS.
- 2 Entities holding an interest in the Undersigned Whenever an ownership interest in the undersigned (such as shares of stock of the Undersigned or a limited partnership interest in the Undersigned, for example) is held or owned by a legal entity (such as a corporation or partnership, for example) rather than an individual, each such legal entity must also file an EDS on its own behalf. If the original Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only legal entities that own 10 percent or more of the Undersigned's stock must file EDS's on their own behalf.

**ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS** By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the individuals named in this EDS.

**CERTIFYING THIS EDS** Execute the certification on the date of the initial submission of this EDS. You may be asked to update this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction. If you need extra space to fully answer a question, you may insert additional pages.

**I. GENERAL INFORMATION**

- A. Exact legal name of Undersigned Montclare Partners II, L.P.
- B. Business address c/o MR Properties, L.L.C., 1350 E. Touhy Avenue, Suite 370W, Des Plaines, IL 60018
- C. Telephone 847-699-6600
- D. Fax 847-699-6613
- E. Name of contact person Philip I. Mappa
- F. Project Information (1) City agency requesting EDS Department of Planning and Development  
(2) City action requested (e.g., loan, grant, sale of property) Financing (TIF)  
(3) property location 6650 W. Beiden Avenue, Chicago, IL 60707, (4) project description 181 Units of affordable housing for seniors

**II. DISCLOSURE OF OWNERSHIP INTERESTS**

A. GENERAL INFORMATION

- 1 Indicate whether the Undersigned is an individual or legal entity and, if a legal entity, indicate the type of entity below.

- Individual
- Business corporation
- Not-for-profit corporation
- General partnership
- Limited partnership
- Limited liability company

- Joint venture
- Sole proprietorship
- Other entity (please specify) \_\_\_\_\_

2 State of incorporation or organization, if applicable

Illinois

3 For corporations, limited partnerships and limited liability companies not organized in the State of Illinois is the organization authorized to do business in the State of Illinois as a foreign entity?

- Yes     No    "N A"

**B ORGANIZATION INFORMATION\***

**1 FOR CORPORATIONS**

a List below the names and titles of the executive officers and directors of the corporation

Name	Title
"N A"	

b For companies whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10 percent of the company's outstanding shares

Name	Business Address	Percentage Interest
"N A"		

c For companies that are not publicly traded pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder

Name	Business Address	Percentage Interest
"N A"		

\*City ordinance requires that, whenever stock or beneficial interest is held by a corporation or other legal entity, the shareholder or other entity must make the disclosure as indicated herein

d For not-for-profit corporations, list below the officers and any paid executive of the corporation (if the not-for-profit has members who are legal entities, also list the members)

Name	Address
"N.A."	

2 FOR PARTNERSHIPS

For general or limited partnerships list below the name, business address and percentage of ownership interest of each partner For limited partnerships, indicate whether each partner is a general partner or a limited partner

Name	Business Address	Percentage Interest
(L) Philip I Mappa	MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018	49.5%
(L) Colin A. Regan	MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018	49.5%
(G) Montclare Seniors II Corp.	MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018	1%

3 FOR LIMITED LIABILITY COMPANIES

a List below the names and titles of the executive officers, if any, of the limited liability company If there are no officers, write "no officers"

Name	Title
"N.A."	

b List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager If there are no managers, write "no managers"

Name	Business Address	Percentage Interest
"N.A."		

4 FOR LAND TRUSTS, BUSINESS TRUSTS OR ESTATES.

a List below the name of each individual or legal entity holding legal title to the property that is the subject of the trust

"N.A."	
--------	--

b List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held

Name Business Address Percentage Interest

\_\_\_\_\_  
"N.A."  
\_\_\_\_\_  
\_\_\_\_\_

III. **CERTIFICATION OF COMPLIANCE**

A The Undersigned entity has not, in the past five years, been found in violation of any city, state or federal environmental law or regulation. If there have been any such violations, note them below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B The Undersigned entity is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor is the entity delinquent in paying any fine, fee, tax or other charge owed to the city. This includes all water charges, sewer charges, property taxes or sales taxes. If there are any such delinquencies, note them below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C The Undersigned entity hereby certifies that (1) any contractors/subcontractors retained in connection with the city project have not, in the past five years, been found in violation of any city, state or federal environmental law or regulation, (2) the Undersigned will not, without the city's prior written consent, use any contractors/subcontractors who have committed such violations, and (3) the Undersigned will not use any facility on the U.S. EPA's List of Violating Facilities in connection with the project for the duration of time that the facility remains on the list.

If the Undersigned is unable to so certify, provide an explanation: \_\_\_\_\_

IV. **CHILD SUPPORT OBLIGATIONS**

A **CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE**

For purposes of this part, "Substantial Owner" means any person who owns or holds a 10 percent or more interest in the Affiant.

If the Affiant's response below is #1 or #2, then all of the Affiant's Substantial Owners must remain in compliance with any such child support obligations until the transaction is completed. Failure of the Affiant's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one

1  No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County or by another Illinois court of competent jurisdiction.



- 2        \_\_\_ The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- 3        \_\_\_ The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed, or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed, or both (a) and (b).
- 4        \_\_\_ There are no Substantial Owners.

V        **CERTIFICATION**

A        The Undersigned and its principals (officers, directors, partners, members):

- 1        are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government,
- 2        have not within a five-year period preceding the date hereof been convicted of a criminal offense or had a civil judgment rendered against them in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, a violation of federal or state antitrust statutes, fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property,
- 3        are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (2) above, and
- 4        have not within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default
- 5        have not, within a five-year period preceding the date hereof, been convicted, or found liable in a civil proceeding, in any criminal or civil action instituted by the city or by the federal government, any state, or any other unit of local government

B        The Undersigned, or any party to be used in the performance of the Project (an "Applicable Party"), or any Affiliated Entity (meaning an entity that, directly or indirectly, has the legal authority to control the undersigned) of either the Undersigned or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not, during the three years prior to the date hereof or, with respect to an Applicable Party or any Affiliated Entity thereof, during the three years prior to the date of such Applicable Party's contract in connection with the Project.

- 1        bribed or attempted to bribe, or been convicted of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- 2        agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or
- 3        made an admission of such conduct described in (1) or (2) above which is a matter of record, but has not been prosecuted for such conduct

C        The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code, and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

D Neither the Undersigned nor any employee, official, agent or partner of the Undersigned is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3, as amended, supplemented and restated from time to time, (2) bid-rotating in violation of 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time, or (3) any similar offense of any state or of the United States of America which contains the same elements as the offense of bid-rigging or bid-rotating

E If the Undersigned is unable to certify to any of the above statements in this Section, the Undersigned shall explain below

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[If no explanation appears or begins on the lines above, it shall be conclusively presumed that the Undersigned certifies to each of the above statements ]

**VI RETAINED PARTIES**

**A DEFINITIONS AND DISCLOSURE REQUIREMENTS**

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- 2 "Lobbyist" means any person (i) who, on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.
- 3 If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

**B CERTIFICATION**

Each and every attorney, lobbyist, accountant, consultant or other person retained or anticipated to be retained by the Undersigned in connection with obtaining the City assistance to which this EDS pertains is listed below:

Name	Business Address	Relationship (attorney, lobbyist, etc )	Fees (indicate whether paid or estimated)
<u>See Statement Attached</u>			

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED \_\_\_\_\_

**VII. BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

**A. DEFINITIONS AND DISCLOSURE REQUIREMENT**

- 1 Pursuant to an ordinance approved by the City Council on December 2, 1998, the Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months prior to the date of execution of this EDS.

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT  
(Economic Development/Housing Transactions)**

**VI. RETAINED PARTIES - - B. CERTIFICATION**

<u>Name</u>	<u>Business Address</u>	<u>Relationship</u>	<u>Fees</u>
Kachoris Altay Architects Inc.	118 N. Clinton Street, Ste 250 Chicago, IL 60661	Architects	\$310,000
Barnes & Company	3313 Dato Avenue Highland Park, IL 60035	Planning & Financing Consultant	\$75,000 (Est.)
Gewalt-Hamilton Associates, Inc.	850 Forest Edge Drive Vernon Hills, IL 60061	Civil Engineers	\$25,000 (Est.)
Ives/Ryan Group, Inc.	1801-A North Mill Street Naperville, IL 60563	Landscape Architects	\$7,500 (Est.)
Duane, Morris & Heckscher L.L.P.	227 W. Monroe Street, Suite 3400 Chicago, IL 60606	Borrowers Counsel	\$100,000 (Est.)
Daley & George	Two First National Plaza 20 S. Clark Street, Suite 400 Chicago, IL 60603	Zoning Counsel	\$15,000 (Est.)
Friduss, Lukee, Schiff & Co., PC	4747 W. Peterson Avenue Chicago, IL 60646	Accountants	\$20,000 (Est.)
Crane Construction Company LLC	343 Wainwright Drive Northbrook, IL 60062	General Contractor	\$15,228,000 (Est.)
Schrack Environmental Consulting	2 Mid America Plaza, Suite 800 Oakbrook Terrace, IL 60181	Environmental Remediation	\$25,000 (Est.)
Louik/Schneider & Associates	54 W. Hubbard, Suite 210 Chicago, IL 60610	TIF Consultant	\$20,000 (Est.)
Pitler and Mandell	39 S. LaSalle Street, Suite 1220 Chicago, IL 60603	Borrowers Counsel	\$15,000 (Est.)

- 2 A "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year, provided, however, a "financial interest" shall not include (i) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment, (iii) any economic benefit provided equally to all residents of the City, (iv) a time or demand deposit in a financial institution, (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

**B CERTIFICATION**

- 1 Has the Undersigned had a "business relationship" with any City elected official in the 12 months prior to the date of execution of this EDS?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s)

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**VIII CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code") have the same meanings when used in this Certification. Complete BOTH sections 1 and 2 in accordance with Section 2-156-110 of the Municipal Code.

- 1 Does any official or employee of the City of Chicago (the "City") have a financial interest in his or her own name or in the name of any other person in this contract, work, business or transaction?

Yes  No

If yes, identify the officials or employees having such interest and the nature of such interest:

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- 2 Unless sold pursuant to a process of competitive bidding, no official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this section.

If the contract, work, business or transaction involves a City Property Sale, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the City Property Sale?

N/A (ie, the contract, work or transaction is not for a City Property Sale)  
 Yes

[ ] No

If yes, identify the officials or employees having such interest and the nature of such interest

\_\_\_\_\_

\_\_\_\_\_

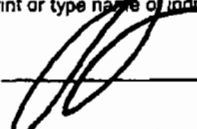
I further certify that no such financial interest in this contract, work, business or transaction will be acquired by any official or employee of the City

**IX. CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Undersigned understands and agrees that

- A The certifications contained in this EDS shall become part of any contract awarded to the Undersigned by the City in connection with the City assistance to which this EDS pertains, and are a material inducement to the City's execution of such contract or other action with respect to which this EDS is being executed and delivered on behalf of the Undersigned. Furthermore, the Undersigned shall comply with the certifications contained herein during the term and/or performance of the contract or completion of the transaction
- B If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the transaction, terminate the Undersigned's participation in the transaction, and/or decline to allow the Undersigned to participate in other contracts or transactions with the City
- C Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted herein

Montclare Partners II, L.P.  
(Print or type name of individual or legal entity)

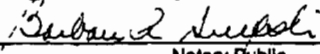
By   
(sign here)

Title of signatory Montclare Seniors II Corp., G.P.

Print or type name of signatory Phillip I. Mappa, President

Date January 22, 2003

Subscribed to before me this 22nd day of January, 2003, at Cook County, Illinois

  
Notary Public

Commission expires July 19, 2003



---

(Do not write below this line except to recertify prior to submission to City Council or on the date of closing )

**RECERTIFICATION**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Undersigned hereby represents, under penalty of perjury, that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date hereof

---

(Print or type name of individual or legal entity)

By \_\_\_\_\_  
(sign here)

Title of signatory \_\_\_\_\_

Print or type  
name of signatory \_\_\_\_\_

Date \_\_\_\_\_, 200\_\_

Subscribed to before me this \_\_\_\_ day of \_\_\_\_\_,  
200\_\_ at Cook County, Illinois

\_\_\_\_\_  
Notary Public

Commission expires \_\_\_\_\_

**AFFIDAVIT REGARDING SLAVERY ERA BUSINESS**

Transaction Department of Planning and Development/TIF

Legal Name of Entity submitting this Affidavit (the "Affiant")

Montclare Partners II, L P

Section 2-92-585 of the Municipal Code of Chicago requires that any entity entering into a contract with the City of Chicago must complete an affidavit verifying that the entity has searched any and all records of the entity and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and must disclose in the affidavit such records to the City. In addition, the ordinance requires that the entity disclose in the affidavit the names of any slaves or slaveholders described in those records. Failure to comply with the ordinance makes the contract voidable on behalf of the City.

Please check either (1) or (2) below. If the Affiant checks (2), the Affiant must disclose, below or in an attachment to this Affidavit, all requisite information as set forth in that paragraph (2).

  X   1. Affiant verifies that (a) Affiant has searched any and all records of the Affiant and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) Affiant has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

       2. Affiant verifies that, as a result of conducting the search in step (1)(a) above, Affiant has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. Affiant verifies that the following constitutes full disclosure of all such records \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

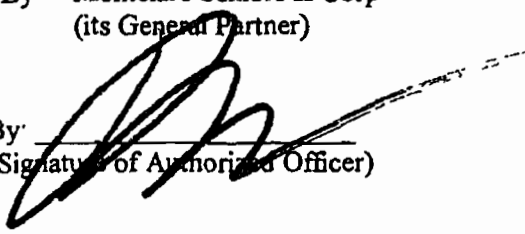
(attach additional pages, if necessary)

AFFIDAVIT REGARDING SLAVERY ERA BUSINESS

Under penalty of perjury, I certify that I am authorized to execute this Affidavit on behalf of the Affiant, that I have personal knowledge of all the certifications made in it, and that they are complete and true

(Print or type name of Affiant)

Montclare Partners II, L P  
By: Montclare Seniors II Corp  
(its General Partner)

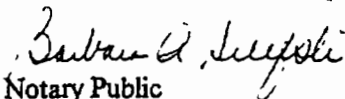
By:   
(Signature of Authorized Officer)

Philip I Mappa  
(Print or type name of signatory)

President  
(Title of signatory)

Date. January 22, 2003

County of Cook  
State of Illinois  
Acknowledged under oath on January 22, 2003 (date)  
before me by Philip I Mappa  
as President (title)  
of Montclare Seniors II Corp (firm)

  
Notary Public  
Commission expires July 19, 2003







**CITY OF CHICAGO**  
**Department of Planning and Development**

**PRINCIPAL PROFILE SHEET**

Company: Montclare Senior Residences Phase II, L.P.

Form must be filled out **COMPLETELY** for individuals and entities owning any interest in order for application to be processed.

For TRUSTS or other entities owning an interest in the borrower, please provide complete information on the trustee and beneficiary on a separate sheet.

Name:	<u>Philip J. Mappa</u>
Home Address:	[REDACTED]
Telephone:	[REDACTED]
Social Security Number:	[REDACTED]
Date of Birth:	[REDACTED]
Driver's License Number:	[REDACTED]
License Plate Number:	[REDACTED]
Percentage Ownership of Company:	<u>49.995% *</u>
Name:	<u>Colin A. Regan</u>
Home Address:	[REDACTED]
Telephone:	[REDACTED]
Social Security Number:	[REDACTED]
Date of Birth:	[REDACTED]
Driver's License Number:	[REDACTED]
License Plate Number:	[REDACTED]
Percentage Ownership of Company:	<u>49.995% *</u>
Name:	<u>Montclare Partners II, L.P.</u>
Home Address:	[REDACTED]
Telephone:	[REDACTED]
Social Security Number:	[REDACTED]
Date of Birth:	<u>N/A</u>
Driver's License Number:	<u>N/A</u>
License Plate Number:	<u>N/A</u>
Percentage Ownership of Company:	<u>00.01% **</u>

\* To be purchased by equity investor.

\*\*See separate Economic Disclosure Statement.

**FORM MUST BE TYPED**  
*Duplicate Form if Necessary*

CITY OF CHICAGO

ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT

Pursuant to Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code"), the following information is required to be disclosed prior to any City agency, department or City Council action. Please fully complete each statement, with all information current as of the attestation date. Every question must be answered. If a question is not applicable, answer with "N A". An incomplete EDS shall be returned and any City action shall be interrupted.

Please clearly print or type all responses

WHO MUST FILE

- 1 The Undersigned Any individual or entity (the "Undersigned") making an application to the City of Chicago (the "City") for action requiring City Council or other City agency approval must file this EDS
- 2 Entities holding an interest in the Undersigned Whenever an ownership interest in the undersigned (such as shares of stock of the Undersigned or a limited partnership interest in the Undersigned, for example) is held or owned by a legal entity (such as a corporation or partnership, for example) rather than an individual, each such legal entity must also file an EDS on its own behalf. If the original Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only legal entities that own 10 percent or more of the Undersigned's stock must file EDS's on their own behalf.

**ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS** By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the individuals named in this EDS.

**CERTIFYING THIS EDS** Execute the certification on the date of the initial submission of this EDS. You may be asked to update this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction. If you need extra space to fully answer a question, you may insert additional pages.

**I. GENERAL INFORMATION**

- A Exact legal name of Undersigned Montclare Senior Residences Phase II, L.P.
- B Business address c/o MR Properties, L.L.C., 1350 E. Touhy Avenue, Suite 370W, Des Plaines, IL 60018
- C Telephone 847-699-6600
- D Fax 847-699-6613
- E Name of contact person Phillip J. Mappa
- F Project Information (1) City agency requesting EDS Department of Planning and Development  
(2) City action requested (e.g., loan, grant, sale of property) Financing (TIF)  
(3) property location 8650 W. Belden Avenue, Chicago, IL 60707, (4) project description 181 Units of affordable housing for seniors

**II. DISCLOSURE OF OWNERSHIP INTERESTS**

A GENERAL INFORMATION

- 1 Indicate whether the Undersigned is an individual or legal entity and, if a legal entity, indicate the type of entity below

- Individual
- Business corporation
- Not-for-profit corporation
- General partnership
- Limited partnership
- Limited liability company

- Joint venture
- Sole proprietorship
- Other entity (please specify) \_\_\_\_\_

2 State of incorporation or organization, if applicable

Illinois

3 For corporations, limited partnerships and limited liability companies not organized in the State of Illinois Is the organization authorized to do business in the State of Illinois as a foreign entity?

- Yes     No     "N A"

**6 ORGANIZATION INFORMATION\***

**1. FOR CORPORATIONS**

a List below the names and titles of the executive officers and directors of the corporation

Name	Title
"N A"	

b For companies whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10 percent of the company's outstanding shares

Name	Business Address	Percentage Interest
"N A"		

c For companies that are not publicly traded pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder

Name	Business Address	Percentage Interest
"N A"		

\*City ordinance requires that, whenever stock or beneficial interest is held by a corporation or other legal entity, the shareholder or other entity must make the disclosure as indicated herein

d For not-for-profit corporations, list below the officers and any paid executive of the corporation (if the not-for-profit has members who are legal entities, also list the members)

Name	Address
	"NA"

2 FOR PARTNERSHIPS

For general or limited partnerships list below the name, business address and percentage of ownership interest of each partner For limited partnerships, indicate whether each partner is a general partner or a limited partner

Name	Business Address	Percentage Interest
(L) Philip J. Mappa	MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018	49.995%
(L) Colin A. Regan	MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018	49.995%
(G) Montclare Partners II, L.P.	MR Properties, L.L.C., 1350 E. Touhy Avenue, Des Plaines, IL 60018	00.01%

\*Current Limited Partners Will be replaced at closing with Tax Credit Investor Limited Partners

3 FOR LIMITED LIABILITY COMPANIES

a List below the names and titles of the executive officers, if any, of the limited liability company If there are no officers, write "no officers"

Name	Title
	"NA"

b List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager If there are no managers, write "no managers"

Name	Business Address	Percentage Interest
	"NA"	

4 FOR LAND TRUSTS, BUSINESS TRUSTS OR ESTATES.

a List below the name of each individual or legal entity holding legal title to the property that is the subject of the trust

	"NA"
--	------

b List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held

Name	Business Address	Percentage Interest
	"N.A."	

**III CERTIFICATION OF COMPLIANCE**

A. The Undersigned entity has not, in the past five years, been found in violation of any city, state or federal environmental law or regulation. If there have been any such violations, note them below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. The Undersigned entity is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor is the entity delinquent in paying any fine, fee, tax or other charge owed to the city. This includes all water charges, sewer charges, property taxes or sales taxes. If there are any such delinquencies, note them below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. The Undersigned entity hereby certifies that (1) any contractors/subcontractors retained in connection with the city project have not, in the past five years, been found in violation of any city, state or federal environmental law or regulation, (2) the Undersigned will not, without the city's prior written consent, use any contractors/subcontractors who have committed such violations, and (3) the Undersigned will not use any facility on the U.S. EPA's List of Violating Facilities in connection with the project for the duration of time that the facility remains on the list.

If the Undersigned is unable to so certify, provide an explanation \_\_\_\_\_  
\_\_\_\_\_

**IV CHILD SUPPORT OBLIGATIONS**

**A. CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE**

For purposes of this part, "Substantial Owner" means any person who owns or holds a 10 percent or more interest in the Affiant.

If the Affiant's response below is #1 or #2, then all of the Affiant's Substantial Owners must remain in compliance with any such child support obligations until the transaction is completed. Failure of the Affiant's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one

1  No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County or by another Illinois court of competent jurisdiction.

- 2        \_\_\_ The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements
- 3        \_\_\_ The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed, or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed, or both (a) and (b)
- 4        \_\_\_ There are no Substantial Owners

**V        CERTIFICATION**

**A.        The Undersigned and its principals (officers, directors, partners, members)**

- 1        are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government,
- 2        have not within a five-year period preceding the date hereof been convicted of a criminal offense or had a civil judgment rendered against them in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, a violation of federal or state antitrust statutes, fraud, embezzlement, theft; forgery; bribery, falsification or destruction of records, making false statements, or receiving stolen property,
- 3        are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (2) above, and
- 4        have not within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default
- 5        have not, within a five-year period preceding the date hereof, been convicted, or found liable in a civil proceeding, in any criminal or civil action instituted by the city or by the federal government, any state, or any other unit of local government

**B        The Undersigned, or any party to be used in the performance of the Project (an "Applicable Party"), or any Affiliated Entity (meaning an entity that, directly or indirectly, has the legal authority to control the undersigned) of either the Undersigned or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not, during the three years prior to the date hereof or, with respect to an Applicable Party or any Affiliated Entity thereof, during the three years prior to the date of such Applicable Party's contract in connection with the Project.**

- 1        ~~bid or attempted to bid, or been convicted of bribery or attempting to bribe, a public officer or employee of the City; the State of Illinois; or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity,~~
- 2        agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or
- 3        made an admission of such conduct described in (1) or (2) above which is a matter of record, but has not been prosecuted for such conduct

**C        The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code, and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General)**

D Neither the Undersigned nor any employee, official, agent or partner of the Undersigned is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3, as amended, supplemented and restated from time to time, (2) bid-rotating in violation of 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time, or (3) any similar offense of any state or of the United States of America which contains the same elements as the offense of bid-rigging or bid-rotating

E If the Undersigned is unable to certify to any of the above statements in this Section, the Undersigned shall explain below

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[If no explanation appears or begins on the lines above, it shall be conclusively presumed that the Undersigned certifies to each of the above statements.]

**VI RETAINED PARTIES**

**A DEFINITIONS AND DISCLOSURE REQUIREMENTS**

- 1 Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the Undersigned has retained or expects to retain in connection with obtaining the contract or lease. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.
- 2 "Lobbyist" means any person (i) who, on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.
- 3 If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

**B CERTIFICATION**

Each and every attorney, lobbyist, accountant, consultant or other person retained or anticipated to be retained by the Undersigned in connection with obtaining the City assistance to which this EDS pertains is listed below.

Name	Business Address	Relationship (attorney, lobbyist, etc.)	Fees (Indicate whether paid or estimated)
See Statement Attached			

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED \_\_\_\_\_

**VII. BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

**A DEFINITIONS AND DISCLOSURE REQUIREMENT**

- 1 Pursuant to an ordinance approved by the City Council on December 2, 1998, the Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months prior to the date of execution of this EDS.

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT  
(Economic Development/Housing Transactions)**

**VI. RETAINED PARTIES - - B. CERTIFICATION**

<b>Name</b>	<b>Business Address</b>	<b>Relationship</b>	<b>Fees</b>
Kachoris Altay Architects Inc.	118 N. Clinton Street, Ste 250 Chicago, IL 60661	Architects	\$310,000
Barnes & Company	3313 Dato Avenue Highland Park, IL 60035	Planning & Financing Consultant	\$75,000 (Est.)
Gewalt-Hamilton Associates, Inc.	850 Forest Edge Drive Vernon Hills, IL 60061	Civil Engineers	\$25,000 (Est.)
Ives/Ryan Group, Inc.	1801-A North Mill Street Naperville, IL 60563	Landscape Architects	\$7,500 (Est.)
Duane, Morris & Heckscher L.L.P.	227 W. Monroe Street, Suite 3400 Chicago, IL 60606	Borrowers Counsel	\$100,000 (Est.)
Daley & George	Two First National Plaza 20 S. Clark Street, Suite 400 Chicago, IL 60603	Zoning Counsel	\$15,000 (Est.)
Friduss, Lukee, Schiff & Co., PC	4747 W. Peterson Avenue Chicago, IL 60646	Accountants	\$20,000 (Est.)
Crane Construction Company LLC	343 Wainwright Drive Northbrook, IL 60062	General Contractor	\$15,228,000 (Est.)
Schrack Environmental Consulting	2 Mid America Plaza, Suite 800 Oakbrook Terrace, IL 60181	Environmental Remediation	\$25,000 (Est.)
Louik/Schneider & Associates	54 W. Hubbard, Suite 210 Chicago, IL 60610	TIF Consultant	\$20,000 (Est.)
Pitler and Mandell	39 S. LaSalle Street, Suite 1220 Chicago, IL 60603	Borrowers Counsel	\$15,000 (Est.)



- 2 A "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a "financial interest" shall not include (i) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (ii) the authorized compensation paid to an official or employee for his office or employment, (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution, (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

**B CERTIFICATION**

- 1 Has the Undersigned had a "business relationship" with any City elected official in the 12 months prior to the date of execution of this EDS?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s)

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**VIII. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code") have the same meanings when used in this Certification. Complete BOTH sections 1 and 2. In accordance with Section 2-156-110 of the Municipal Code

- 1 Does any official or employee of the City of Chicago (the "City") have a financial interest in his or her own name or in the name of any other person in this contract, work, business or transaction?

Yes  No

If yes, identify the officials or employees having such interest and the nature of such interest.

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- 2 Unless sold pursuant to a process of competitive bidding, no official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale") Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this section

If the contract, work, business or transaction involves a City Property Sale, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the City Property Sale?

N/A (ie, the contract, work or transaction is not for a City Property Sale)  
 Yes

[ ] No

If yes, identify the officials or employees having such interest and the nature of such interest.

\_\_\_\_\_

\_\_\_\_\_

I further certify that no such financial interest in this contract, work, business or transaction will be acquired by any official or employee of the City

**IX CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Undersigned understands and agrees that

- A The certifications contained in this EDS shall become part of any contract awarded to the Undersigned by the City in connection with the City assistance to which this EDS pertains, and are a material inducement to the City's execution of such contract or other action with respect to which this EDS is being executed and delivered on behalf of the Undersigned. Furthermore, the Undersigned shall comply with the certifications contained herein during the term and/or performance of the contract or completion of the transaction.
- B If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the transaction, terminate the Undersigned's participation in the transaction, and/or decline to allow the Undersigned to participate in other contracts or transactions with the City.
- C Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted herein.

Montclare Senior Residences Phase II, L.P  
(Print or type name of individual or legal entity)

By Montclare Partners II, L.P  
(its General Partner)

By Montclare Seniors II Corp  
(its General Partner)

By \_\_\_\_\_  
(sign here)

Title of signatory President

Print or type name of signatory Philip I. Mappa

Date, January 22, 2003

Subscribed to before me this 22nd day of January, 2003 at Cook County, Illinois

Barbara A Selefski  
Notary Public

Commission expires July 19, 2003



---

(Do not write below this line except to recertify prior to submission to City Council or on the date of closing )

**RECERTIFICATION**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Undersigned hereby represents, under penalty of perjury, that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date hereof

---

(Print or type name of individual or legal entity)

By \_\_\_\_\_  
(sign here)

Title of signatory \_\_\_\_\_

Print or type  
name of signatory \_\_\_\_\_

Date \_\_\_\_\_, 200\_\_

Subscribed to before me this \_\_\_\_ day of \_\_\_\_\_,  
200\_\_ at Cook County, Illinois

\_\_\_\_\_  
Notary Public

Commission expires \_\_\_\_\_

**AFFIDAVIT REGARDING SLAVERY ERA BUSINESS**

Transaction: Department of Planning and Development/TIF

Legal Name of Entity submitting this Affidavit (the "Affiant").

Montclare Senior Residences Phase II, L P.

Section 2-92-585 of the Municipal Code of Chicago requires that any entity entering into a contract with the City of Chicago must complete an affidavit verifying that the entity has searched any and all records of the entity and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and must disclose in the affidavit such records to the City. In addition, the ordinance requires that the entity disclose in the affidavit the names of any slaves or slaveholders described in those records. Failure to comply with the ordinance makes the contract voidable on behalf of the City.

Please check either (1) or (2) below. If the Affiant checks (2), the Affiant must disclose, below or in an attachment to this Affidavit, all requisite information as set forth in that paragraph (2).

  X   1 Affiant verifies that (a) Affiant has searched any and all records of the Affiant and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) Affiant has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

       2 Affiant verifies that, as a result of conducting the search in step (1)(a) above, Affiant has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. Affiant verifies that the following constitutes full disclosure of all such records: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (attach additional pages, if necessary).

**AFFIDAVIT REGARDING SLAVERY ERA BUSINESS**

Under penalty of perjury, I certify that I am authorized to execute this Affidavit on behalf of the Affiant, that I have personal knowledge of all the certifications made in it, and that they are complete and true.

(Print or type name of Affiant)

Montclare Senior Residences Phase II, L P

By. Montclare Partners II, L P.  
(its General Partner)

By: Montclare Seniors II Corp  
(its General Partner)

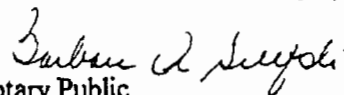
By   
(Signature of Authorized Officer)

Philip I. Mappa  
(Print or type name of signatory)

President  
(Title of signatory)

Date January 22, 2003

County of Cook  
State of Illinois  
Acknowledged under oath on January 22, 2003 (date)  
before me by Philip I. Mappa  
as President (title)  
of Montclare Seniors II Corp (firm)

  
Notary Public  
Commission expires July 19, 2003



**EXHIBIT F  
ESCROW AGREEMENT**

~~These~~  
These exhibits  
copied from an  
official copy

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## EXHIBIT G

### FINANCING FOR THE PROJECT

A. LENDER FINANCING: Bank of America, in the principal amount of approximately \$[8,900,000].

B. OTHER FUNDS: IHDA Tax Credits: \$[11,830,349]

C. DEFERRED DEVELOPER FEE: \$[ 492,743]

D. CITY FUNDS: \$[ ]

**EXHIBIT H-1**  
**PROJECT BUDGET**



**EXHIBIT H-2**  
**MBE/WBE BUDGET**

**[EXHIBIT I]**  
**[APPROVED PRIOR EXPENDITURES]**

**EXHIBIT J**

**OPINION OF COUNSEL**

**OPINION OF DEVELOPER'S COUNSEL**

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

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

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

(a) \_\_\_\_\_ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of the Developer's (i) \_\_\_\_\_, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) \_\_\_\_\_, as amended to date, and (iv) records of all \_\_\_\_\_ proceedings relating to the Project]; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

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

Based on the foregoing, it is our opinion that:

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

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

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

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

5. Exhibit A attached hereto [Identify documents establishing the ownership interests in Developer].

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

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

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

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

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

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

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

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

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

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

**EXHIBIT K**

**AVAILABLE INCREMENTAL REVENUES**

<u>Year*</u>	<u>Estimated Available Incremental Revenues</u>
2003	
2004	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
	<b>TOTAL \$[       ]**</b>

\* This column lists the tax year. Collection of such taxes occurs the subsequent calendar year.

\*\* This is the maximum amount that may be paid to the Developer

**EXHIBIT L**  
**REQUISITION FORM**

**EXHIBIT M**

**LIST OF PLANS AND SPECIFICATIONS**



## EXHIBIT N-1

### ARCHITECT'S OPENING CERTIFICATE

Date: \_\_\_\_\_

The undersigned, Kachoris Altay Architects, Inc. ("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 Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 2003, by and between the City and Montclare Senior Residences Phase II Limited Partnership ("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:

[Kachoris Altay Architects, Inc.]

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT N-2**  
**ARCHITECT'S COMPLETION CERTIFICATE**

Date: \_\_\_\_\_

The undersigned, Kachoris Altay Architects, Inc. ("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 Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 2003, by and between the City and Montclare Senior Residences Phase II Limited Partnership ("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: [Kachoris Altay Architects, Inc.            ]

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT O**  
**MINIMUM EQUALIZED ASSESSED VALUE**

**EXHIBIT P**  
**FORM OF PAYMENT BOND**

**EXHIBIT Q**

**FORM OF SUBORDINATION AGREEMENT**

**EXHIBIT P**

**FORM OF PERFORMANCE & PAYMENT BOND**