

SUBSTITUTE ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "**Constitution**"), the City of Chicago (the "**City**") is a home rule unit of government and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City has determined that there exists within the City a serious shortage of decent, safe and sanitary housing available for persons of low- and moderate-income and that the continuance of a shortage of affordable housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, as a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue obligations for the purpose of financing the cost of the acquisition, rehabilitation, construction, development, and equipping affordable multi-family housing facilities for low- and moderate-income families located in the City; and

WHEREAS, the City also has certain funds available from a variety of funding sources ("**Multi-Family Program Funds**") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Housing ("**DOH**"); and

WHEREAS, the City Council of the City (the "**City Council**"), pursuant to an ordinance enacted on July 8, 1998 and published in the Journal of the Proceedings of the City Council (the "**Journal**") of such date at pages 72418 through 72425, inclusive, authorized DOH to extend a loan in the principal amount of \$7,559,026 with an interest rate of zero percent per annum and an initial maturity date of November 4, 2028 (the "**City HOME Loan**") to West Side Village Phase IV Limited Partnership, an Illinois limited partnership (the "**Current Owner**"); and

WHEREAS, the City HOME Loan was secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement made by the Current Owner in favor of the City, dated November 4, 1998 and recorded on November 4, 1998 in the Cook County Clerk's Office (the "**Clerk's Office**") as document number 98994562 (as amended, the "**City Mortgage**"), and was further supported by that certain Regulatory Agreement executed by the Current Owner on November 4, 1998 and recorded on November 4, 1998 in the Clerk's Office as document number 98994558 (as amended, the "**HOME Regulatory Agreement**"); and

WHEREAS, proceeds of the City HOME Loan were used by the Current Owner to provide for the acquisition of land and construction of six residential buildings for low- and moderate-income persons (the "**Original Project**") located at 3607, 3621, and 3645 West Polk Street, 906 and 908 South Central Park Avenue, and 921 South Lawndale Avenue in Chicago, Illinois and legally described on **Exhibit F** attached hereto (the "**Property**"); and

WHEREAS, in September 2004, the Current Owner restructured the financing for the Original Project in a manner which: (i) did not alter the principal amount, maturity or interest rate of the City HOME Loan and (ii) subordinated the City Mortgage to all liens securing new senior financing; and

WHEREAS, in October 2014, the Current Owner again restructured the financing for the Original Project in a manner which: (i) did not alter the principal amount or interest rate of the City HOME Loan, (ii) extended the maturity date of the City HOME Loan and (iii) subordinated the City Mortgage to all liens securing new senior financing; and

WHEREAS, the Current Owner now intends to sell the Property to Homan Square Apartments Phase IV Holder, LP, an Illinois limited partnership (the "**Borrower**") and has requested that the City consent to this change in the ownership of the Original Project; and

WHEREAS, the Borrower wishes to acquire and rehabilitate the Property and the Original Project thereon (the "**New Project**"); and

WHEREAS, in connection with the New Project, DOH desires to approve a restructuring of the City HOME Loan (the "**Third Restructuring**") in a manner that: (i) will subordinate the City Mortgage to all liens securing new senior financing, (ii) will alter the outstanding principal balance of the City HOME Loan by partially forgiving the City HOME Loan in an amount no less than \$2,000,000 and up to \$4,200,000, (iii) will not alter the repayment terms of the existing City HOME Loan, (iv) will alter the interest rate on the principal balance of the existing City HOME Loan, (v) will extend the maturity date of the existing City HOME Loan, (vi) will consent to the assignment and assumption from the Current Owner to the Borrower of the documents and regulatory agreements executed in connection with the City HOME Loan, and (vii) will consent to the transfer of the Property to the Borrower (collectively, the "**Material Terms**"); and

WHEREAS, further, by this ordinance (this "**Ordinance**"), the City Council has determined that it is necessary and in the best interests of the City to provide Multi-Family Program Funds and certain other funding, as provided herein, to the Borrower, the general partner of which is Homan Square Apartments Phase IV, LLC, an Illinois limited liability company (the "**General Partner**"), the manager of which is Homan Phase IV Manager, LLC, an Illinois limited liability company, the sole member and manager of which is FHS (as defined below), for the completion of the New Project; and

WHEREAS, the City Council adopted an ordinance the ("**Inducement Ordinance**") on July 18, 2025 preliminarily approving the New Project and evidencing the City's intent to issue multi-family housing revenue bonds, notes or other indebtedness in order to provide financing for costs associated with the New Project; and

WHEREAS, by this Ordinance, the City Council has determined that it is necessary and in the best interests of the City to enter into a funding loan agreement (the "**Funding Loan Agreement**") by and among the City, BMO Bank N.A., as Construction Funding Lender (the "**Construction Funding Lender**") and Cedar Rapids Bank & Trust Company, an Iowa state-chartered banking corporation, as Permanent Funding Lender (the "**Permanent Funding Lender**," and together with the Construction Funding Lender, the "**Funding Lender**"), pursuant to which the City will borrow a principal amount not to exceed Twenty Million Dollars (\$20,000,000) (the "**Funding Loan**") for a portion of the purposes set forth above and, in evidence of its limited, special obligation to repay that borrowing, issue a tax-exempt revenue note, to be designated as the Multifamily Mortgage Revenue Note, 2025 Series A (Homan Square Apartments Phase IV) (the "**Note**") under the terms and conditions of this Ordinance and the Funding Loan Agreement, and the City will thereafter loan the proceeds of the Funding Loan to the Borrower (the "**Borrower Loan**") pursuant to a borrower loan agreement (the "**Borrower Loan Agreement**") between the City and the Borrower, as evidenced by that certain Borrower promissory note (the "**Borrower Note**"), in order to finance a portion of the cost of the New Project in return for loan payments

sufficient to pay, when due, the principal of, prepayment premium, if any, and interest on the Note; and

WHEREAS, the principal of, prepayment premium, if any, and interest payable on the Note will be secured by, among other things, the Borrower Note, a mortgage on the Property and certain other related collateral, by certain capital contributions to be made to the Borrower by its limited partner(s) in connection with the allocation to the Borrower of federal low-income housing tax credits and by pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates; and

WHEREAS, the Funding Loan and the Note and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No party to the Funding Loan Agreement or holder of the Note shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Note or obligations under the Funding Loan Agreement; and

WHEREAS, in connection with the execution and delivery of the Funding Loan Agreement and the issuance of the Note, the City Council has determined by this Ordinance that it is necessary and in the best interests of the City to enter into (i) the Funding Loan Agreement, providing for the security for and terms and conditions of the Funding Loan, and the Note to be issued thereunder, (ii) the Borrower Loan Agreement providing for the loan of the proceeds of the Funding Loan to the Borrower and the use of such proceeds, (iii) one or more tax regulatory agreements and/or tax certificates (each, a **"Tax Agreement"** and collectively, the **"Tax Agreements"**) between the City and the Borrower, and (iv) a Land Use Restriction Agreement between the City and the Borrower (the **"Land Use Restriction Agreement"**); and

WHEREAS, pursuant to ordinances adopted on February 5, 1998, and published in the Journal of such dates at pages 60833 through 60916, inclusive (the **"TIF Ordinance"**), and as subsequently amended from time to time, the City Council approved and adopted a certain redevelopment plan and project (the **"Redevelopment Plan"**) for a portion of the City known as the Homan-Arthington redevelopment project area (the **"Homan-Arthington Redevelopment Area"**) in accordance with the provisions of the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 et seq. (the **"Act"**); and

WHEREAS, pursuant to ordinances adopted on May 17, 2000, and published in the Journal of such dates at pages 30775 through 30925, inclusive, and as subsequently amended from time to time, the City Council approved and adopted a certain redevelopment plan and project for a portion of the City known as the Midwest redevelopment project area (the **"Midwest Redevelopment Area"**) in accordance with the provisions of the Act; and

WHEREAS, the Homan-Arthington Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Midwest Redevelopment Area; and

WHEREAS, the Borrower or, alternatively, the Borrower and its affiliate, Foundation for Homan Square, an Illinois not-for-profit corporation (**"FHS"**) (individually or collectively, the **"Developer"**) will be obligated to undertake the New Project and the City is willing to have the Developer undertake the New Project in accordance with the terms and conditions of the

Redevelopment Plan and a proposed redevelopment agreement (the "**Redevelopment Agreement**") to be executed by the Developer and the City; and

WHEREAS, the New Project will be financed in part by a grant in an amount not to exceed \$10,000,000 funded partly from certain ad valorem taxes ("**Incremental Taxes**") from the Homan-Arthington Redevelopment Area, which pursuant to Section 5/11-74.4-8(b) of the Act, are deposited into a special tax allocation fund created by the City to pay Redevelopment Project Costs (as defined in Section 5/11-74.4-3(q) of the Act) that are included in the budget set forth in the Redevelopment Plan (the "**TIF Fund**"), and partly from Incremental Taxes from the Midwest Redevelopment Project Area transferred into the TIF Fund pursuant to the City's transfer rights under Section 5/11-74.4-4(q) of the Act; and

WHEREAS, the New Project is necessary for the redevelopment of the Homan-Arthington Redevelopment Area; and

WHEREAS, pursuant to Resolution 25-CDC-10 adopted by the Community Development Commission of the City of Chicago (the "**Commission**") on July 8, 2025, the Commission has recommended that the Developer be designated as the developer for the New Project and that City's Department of Planning and Development be authorized to negotiate, execute, and deliver on behalf of the City a redevelopment agreement with the Developer for the New Project; and

WHEREAS, the Borrower now desires to obtain financing for the New Project from various sources including, but not limited to, the Borrower Loan, all such financing as described in **Exhibit A** hereto; and

WHEREAS, the City Council has passed that certain ordinance on October 27, 2021 and published in the Journal for such date at pages 40213 through 40503, inclusive, authorizing the issuance of bonds to fund the purposes described therein (the "**CRP Ordinance**"); and

WHEREAS, the City Council has passed that certain ordinance on November 7, 2022 and published in the Journal for such date at pages 55618 through 55807, inclusive, authorizing the issuance of bonds to fund the purposes described therein (the "**CIP Ordinance**"); and

WHEREAS, the City Council has passed that certain ordinance on April 19, 2024 and published in the Journal for such date at pages 11493 through 11568, inclusive, authorizing the issuance of bonds to fund the purposes described therein (the "**HED Ordinance**," and collectively with the CRP Ordinance and the CIP Ordinance, the "**Prior Ordinances**"); and

WHEREAS, the City Council has determined to clarify certain designation authority provided to each Authorized Officer (as such term is defined in each of the Prior Ordinances) in connection with contracts, grants and loans with respect to proceeds of bonds issued under one or more of the Prior Ordinances; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

Section 1. Incorporation of Recitals. The recitals contained in the preambles to this Ordinance are hereby incorporated into this Ordinance by this reference. All capitalized terms used in this Ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Funding Loan Agreement or the Redevelopment Agreement, as applicable.

Section 2. Findings and Determinations. The City Council hereby grants authority to the Chief Financial Officer of the City (the Chief Financial Officer, being referred to herein as the "CFO") to determine to sell the Note on such terms as and to the extent the CFO determines that such terms are desirable and in the best financial interest of the City. Any such designation and determination by the CFO shall be signed in writing by the CFO and filed with the City Clerk and shall remain in full force and effect for all purposes of this Ordinance unless and until revoked, such revocation to be signed in writing by the CFO and filed with the City Clerk. As used herein, the term "Chief Financial Officer" shall have the meaning given to such term in Section 1-4-090(k) of the Municipal Code of Chicago (the "Municipal Code").

Section 3. Authorization of the Funding Loan Agreement, the Note, the Borrower Loan Agreement and Related Agreements. Upon the approval and availability of the additional financing as shown in **Exhibit A** (the "Additional Financing"), the execution and delivery of the Funding Loan Agreement and the issuance of the Note in a principal amount not to exceed \$20,000,000 are hereby authorized. The principal amount of the Note to be issued, and its division into one or more series of Notes, if applicable, shall be as set forth in the Funding Loan Notification referred to in **Section 6** below.

The Funding Loan Agreement and the Note shall contain a provision that they are executed and delivered under authority of this Ordinance. The maximum term of the Funding Loan shall not exceed 40 years from the date of execution and delivery of the Note. The Note shall bear interest at a rate or rates equal to the rate of interest on the Borrower Loan as provided in the Borrower Loan Agreement (which interest at a rate or rates shall not exceed the lesser of 12.0% or the maximum rate of interest allowable under state law and with respect to which the default rate shall not exceed the maximum rate of interest allowable under state law) and shall be as determined by the Authorized Officer (as defined below) and shall be payable on the payment dates set forth in the Funding Loan Agreement and the Funding Loan Notification. The Note shall be dated, shall be subject to prepayment, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Funding Loan Agreement, the form(s) of the Note therein and the Funding Loan Notification. The provisions for execution, signatures, payment and prepayment, with respect to the Funding Loan Agreement and the Note shall be as set forth in the Funding Loan Agreement and the form(s) of the Note therein.

Each of (i) the Mayor of the City (the "Mayor"), the (ii) Chief Financial Officer, (iii) any other official of the City so designated by a Certificate (as defined below) signed by the Mayor or the Chief Financial Officer and (iv) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office (the Mayor, the Chief Financial Officer, the City Clerk or any such other official being referred to as an "Authorized Officer") is hereby authorized to execute by their manual or, in the case of the Note, manual or facsimile signature, and to deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest by their manual or, in the case of the Note, manual or facsimile signature, the Funding Loan Agreement and the Note, in substantially the form attached hereto as **Exhibit B** and made a part hereof and hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval of any changes or revisions from the form of the Funding Loan Agreement and Note therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

"Certificate" as used herein means an instrument of the City in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or

representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such instrument knows that the opinion or representation with respect to the matters upon which such instrument may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of the Funding Loan Agreement, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

Each Authorized Officer is hereby authorized to act as an authorized City representative of the City for the purposes provided in the Funding Loan Agreement.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest, the Borrower Loan Agreement in substantially the form attached hereto as **Exhibit C**, and made a part hereof and hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Borrower Loan Agreement and the Borrower Note therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver one or more Land Use Restriction Agreements on behalf of the City, in substantially the form attached hereto as **Exhibit D** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Land Use Restriction Agreement attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are hereby authorized to attest the Tax Agreements on behalf of the City, in substantially the forms of such documents used in previous tax-exempt multi-family housing financings (with appropriate revisions to reflect the terms and provisions of the Funding Loan Agreement and the Note and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations promulgated thereunder), and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Note.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City such security or collateral documents securing payment of the Note as the Authorized Officer regards as appropriate, in substantially the form of the security documents used in previous issuances of tax-exempt bonds pursuant to programs similar to the Note, with appropriate revisions to reflect the terms and provisions of the Note and with such other revisions as the Authorized Officer executing the same shall determine are appropriate and consistent with the other provisions of this Ordinance.

Section 4. Security for the Funding Loan Agreement and the Note The obligations of the City under the Funding Loan Agreement and the Note shall be limited obligations of the

City, payable solely from and/or secured by a pledge of the following security (other than certain Unassigned Rights of the City):

(a) all right, title and interest of the City in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the City from the Borrower relating to the New Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments derived by the City under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under the Funding Loan Agreement shall not impair or diminish the obligations of the City under the provisions of the Borrower Loan Agreement;

(b) all right, title and interest of the City in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Agreement, and all other payments, revenues and receipts derived by the City under and pursuant to, and subject to the provisions of, the Funding Loan Agreement;

(c) any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under the Funding Loan Agreement, subject to the provisions of the Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(d) any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of the Funding Loan Agreement as additional security by the City or anyone on its part or with its consent, or which pursuant to any of the provisions of the Borrower Loan Agreement may come into the possession or control of the Funding Lender or a receiver appointed pursuant to the Funding Loan Agreement;

(e) certain capital contributions to be made to the Borrower by its limited partner(s) in accordance with the terms and conditions of the partnership agreement of the Borrower in connection with the allocation to the Borrower of federal low-income housing tax credits and certain other funds, personal property and contractual rights of the Borrower and its affiliates pledged and/or assigned to the Funding Lender; and

(f) a mortgage and assignment of leases and rents on and security interest in the New Project and related collateral.

In order to secure the payment of the principal of, prepayment premium, if any, and interest on the Note, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Funding Loan Agreement and are hereby appropriated for the purposes set forth in the Funding Loan Agreement. Nothing contained in this Ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in the Funding Loan Agreement to the payment of any other obligations of the City enjoying a lien or claim on such rights, proceeds and investment income as of the date of execution and delivery of the Funding Loan Agreement and the Note, all as shall be determined by the Authorized Officer at the time of the execution and delivery of the Funding Loan Agreement and the Note. The Funding Loan Agreement shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the execution and delivery of the Funding Loan Agreement and the Note.

Section 5. Delivery of the Funding Loan Agreement Sale and Delivery of Note.

Subject to the terms and conditions of the Funding Loan Agreement and such additional terms as are set forth in the Funding Loan Notification with the approval of an Authorized Officer, the Note shall be sold and delivered to the Construction Funding Lender, with the understanding that upon completion of construction and satisfaction of other conditions, the Note shall be sold by the Construction Funding Lender to the Permanent Funding Lender, or such other funding lender as approved by an Authorized Officer. The Permanent Funding Lender, or such other funding lender approved by an Authorized Officer, shall hold the Note, subject to the terms and conditions of the required transferee representations (the "**Required Transferee Representations**") which shall be delivered to the City by both the Construction Funding Lender and the Permanent Funding Lender and any other funding lender. Any subsequent funding lender approved by an Authorized Officer, to the extent required under the Funding Loan Agreement, may succeed the Funding Lender as the registered holder of all or a portion of the Funding Loan, but only if such subsequent funding lender executes and delivers to the City the Required Transferee Representations, substantially in the form of the Required Transferee Representations set forth in the Funding Loan Agreement. The aggregate costs of origination of the Funding Loan paid from the proceeds of the Funding Loan to the Funding Lender shall not exceed one and one half percent (1.5%) of the principal amount of the Note.

Section 6. Funding Loan Notification. Subsequent to the execution and delivery of the Funding Loan Agreement and the sale of the Note, the Authorized Officer shall file in the Office of the City Clerk a Funding Loan Notification for the Funding Loan Agreement and the Note directed to the City Council setting forth (i) the original principal amount of, maturity schedule, redemption provisions for and nature of the Note sold, (ii) the extent of any tender rights to be granted to the holders of the Note, (iii) the interest rates on the Note and/or a description of the method of determining the interest rates applicable to the Note from time to time, (iv) the origination fee or other compensation paid to the Funding Lender in connection with the origination of the Funding Loan and issuance of the Note, and (v) any other matter authorized by this Ordinance to be determined by an Authorized Officer at the time of the sale of the Note ("**Funding Loan Notification**"). There shall be attached to such notification the final form of the Funding Loan Agreement, a specimen of the Note and the final form of the Borrower Loan Agreement.

Section 7. Limited Obligations. The Note, when issued and outstanding, will be a limited obligation of the City, payable solely as provided in the Funding Loan Agreement. The Note and the interest thereon shall never constitute a debt or general obligation or a pledge of the faith, the credit or the taxing power of the City within the meaning of any Constitutional or statutory provision of the State of Illinois. The Note shall be payable solely from the funds pledged therefor pursuant to the terms of the Funding Loan Agreement herein described.

Section 8. Use of Proceeds. The proceeds from the Funding Loan (as evidenced by the sale of the Note) shall be deposited as provided in the Funding Loan Agreement and used for the New Project.

Section 9. Volume Cap. The Funding Loan Agreement and the Note are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

Section 10. Developer Designation. The Developer is hereby designated as the developer for the New Project pursuant to Section 5/11-74.4-4 of the Act.

Section 11. Third Restructuring. The Third Restructuring is hereby approved as described above. The City's Commissioner of Housing (the "**DOH Commissioner**") or a designee of the DOH Commissioner (each, an "**Authorized DOH Officer**"), are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in accordance with the Third Restructuring which do not substantially modify the Material Terms described herein. Each Authorized DOH Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable, in connection with the implementation of the Third Restructuring. Each Authorized DOH Officer is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable, in connection with any future restructuring of the City Loan that does not substantially modify the Material Terms.

Section 12. Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the Authorized DPD Officer (as defined below) is hereby authorized, with the approval of the Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement and such other supporting documents as may be necessary to carry out and comply with the provisions of such agreements, with such changes, deletions and insertions as shall be approved by the persons executing such agreements. The Redevelopment Agreement shall be in substantially the form attached hereto as **Exhibit E** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized DPD Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

Section 13. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount not to exceed \$10,000,000 ("**City Funds**") from Homan-Arthington Redevelopment Area Incremental Taxes and Midwest Redevelopment Area Incremental Taxes deposited and/or transferred into the general account of the TIF Fund to the Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section.

Section 14. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Homan-Arthington Redevelopment Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

Section 15. Proxies. Each Authorized Officer may designate another to act as their respective proxy and to affix their respective signatures to the Note, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by such Authorized Officer pursuant to this Ordinance or the Funding Loan Agreement. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for such Authorized Officer, respectively. A written signature of the Authorized Officer, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the Journal and filed with the City Clerk. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in

the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

Section 16. Additional Authorization. Each Authorized Officer, the City Treasurer, and, upon the approval and availability of the Additional Financing, the Authorized DOH Officer and the City's Commissioner of Planning and Development or a designee thereof (the "**Authorized DPD Officer**") are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements, including, without limitation, any documents necessary to evidence the receipt or assignment of any collateral for the Funding Loan Agreement and the Note, the Borrower Loan Agreement or the Borrower Note from the Borrower, and perform such other acts as may be necessary or desirable in connection with the City Agreements (as defined in **Section 21** hereof), including, but not limited to, the exercise following the delivery date of the City Agreements of any power or authority delegated to such official under this Ordinance with respect to the City Agreements upon original execution and delivery, but subject to any limitations on or restrictions of such power or authority as herein set forth. Notwithstanding anything contained herein (including but not limited to **Section 3** hereof), if any portion of the Additional Financing is not approved and available at such time as an Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer otherwise deem it in the best interest of the City to execute the City Agreements, for which such officers are authorized to execute under this Ordinance, then such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer may so execute the applicable City Agreements (with such changes thereto as such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer deem necessary and advisable) and any necessary ancillary documents and may impose such conditions upon the approval and availability of such Additional Financing as they deem necessary and advisable.

Section 17. Public Hearing. This City Council hereby directs that the Note shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Note shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. To the extent that such requirements are satisfied prior to the date of this Ordinance, this Ordinance shall constitute formal approval thereof. All such actions taken prior to the enactment of this Ordinance are hereby ratified and confirmed.

Section 18. Severability. If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Ordinance.

Section 19. Administrative Fee. DOH is hereby authorized to charge an administrative fee or fees in connection with the delivery and administration of the Funding Loan Agreement and the Note, which shall be collected under such terms and conditions as determined by the Authorized DOH Officer and which shall be in an amount as determined by the Authorized DOH Officer but not to exceed the maximum amount permitted under Section 148 of the Code to avoid characterization of the Funding Loan Agreement and the Note as "arbitrage bonds" as defined in such Section 148. Such administrative fee or fees shall be used by DOH for administrative expenses and other housing activities. Initially, such administrative fee or fees shall be an amount equal to (i) 1.5% of the original principal amount of the Note payable upon issuance of the Note, plus (ii) an on-going compliance fee of \$25 per unit payable annually.

Section 20. Reserve for Legal Expenses. The City is authorized to assess a legal reserve fee with respect to the New Project, payable upon issuance of the Note from the proceeds of the Note or from funds contributed by the Borrower, which shall be in an amount equal to 0.10% of the original principal amount of the Note. Such fee shall be used by the City to pay legal costs or other expenses in connection with the New Project, the Note, or other City issuances.

Section 21. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Note or for any claim based thereon or upon any obligation, covenant or agreement contained in this Ordinance, the Funding Loan Agreement, the Note, the Borrower Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement, or the Redevelopment Agreement (collectively, the "**City Agreements**") against any past, present or future officer, member or employee of the City, or any officer, employee, director or trustee of any successor, as such, either directly or through the City, or any such successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, officer, employee, director or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the City Agreements and the issuance of the Note.

Section 22. No Impairment. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to impair the rights of the holders of the Funding Loan and the Note to receive payment of the principal of, prepayment premium, if any, or interest on the Note or to impair the security for the Funding Loan Agreement and the Note; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

Section 22. Affordable Housing. The New Project (as described on **Exhibit A** hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code.

Section 23. Special Exceptions. In order to ensure clarity in the applicable affordability restrictions, the requirements of Sections 2-44-080 through 2-44-105, inclusive, of the Municipal Code shall not apply to multi-family housing projects: (i) which receive loans or grants from the City (including from bond proceeds, funds from grants received by the City or corporate funds, but excluding loans and grants funded solely by revenues from the Affordable Housing Opportunity Fund as described in Section 2-44-085(1) of the Municipal Code), and/or which are eligible for tax credits administered by the City in connection with Section 42 of the Internal Revenue Code of 1986, as amended, or 20 ILCS 3805/7.28; and (ii) for which the applicable loan, grant and/or tax credit documents have not been executed and delivered by the City as of the effective date of this ordinance.

Section 24. Economic Disclosure Statements. Notwithstanding anything to the contrary contained in the Municipal Code or any other ordinance or mayoral executive order, the Current Owner shall not be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document) in connection with the Third Restructuring.

Section 24. Declaration of Official Intent. In accordance with Section 1.150-2 of the Treasury Regulations promulgated under the Code, the Mayor, the Chief Financial Officer and the City Comptroller are each hereby authorized to declare official intent of the City to reimburse prior expenditures made by the City from its corporate funds, special revenue funds or other funds available to the City (not including proceeds of tax-exempt bonds issued by the City) with (i) proceeds of tax-exempt bonds issued by the City under one or more of the Prior Ordinances or (ii) the proceeds of a tax-exempt draw on a general obligation line of credit borrowing by the City (authorized under that certain ordinance adopted on May 1, 2002 by the City Council), to then be reimbursed with proceeds of tax-exempt bonds issued by the City under one or more of the Prior Ordinances.

Section 25. Amendment to CRP Ordinance. The third and fourth sentences of Section 3.20(l) of the CRP Ordinance are deleted in their entirety, and the following text is inserted in their place:

With respect to each grant or loan of Recovery Bond proceeds or contract for goods, work and/or services paid from Recovery Bond proceeds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "Budget Director"), (i) one or more City departments or agencies to administer such grant or loan of Recovery Bond proceeds or contract for goods, work and/or services paid from Recovery Bond proceeds, and/or (ii) the head of the City department or agency who shall be authorized to execute a grant or loan agreement or contract for goods, work and/or services paid from Recovery Bond proceeds and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer pursuant to subsection (i) above, such City department or agency shall be authorized to administer such grant or loan of Recovery Bond proceeds or contract for goods, work and/or services paid from Recovery Bond proceeds. Upon any such written designation by an Authorized Officer pursuant to subsection (ii) above, the head of such City department or agency shall be authorized to execute a grant agreement, loan agreement or contract for goods, work and/or services, as applicable, and such other documents, agreements or instruments as such City department or agency head shall deem necessary or desirable. The designations in subsections (i) and (ii) may be effected in the same document.

Section 26. Amendment to CIP Ordinance. The third and fourth sentences of Section 2.20(l) of the CIP Ordinance are deleted in their entirety, and the following text is inserted in their place:

With respect to each grant or loan of Authorized Funds or with respect to each contract for goods, work and/or services paid from Authorized Funds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "Budget Director"), (i) one or more City departments or agencies to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds, and/or (ii) the head of the City department or agency who shall be authorized to execute a grant or loan agreement or contract for goods, work and/or services paid from Authorized Funds and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer pursuant to subsection (i) above, such City department or agency shall be authorized to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds. Upon any such written designation by an Authorized Officer pursuant to subsection (ii) above, the head of such City department or agency shall be authorized to execute a grant agreement, loan agreement or contract for goods, work and/or services, as applicable, and such

other documents, agreements or instruments as such head of the City department or agency shall deem necessary or desirable. The designations in subsections (i) and (ii) may be effected in the same document.

Section 27. Amendment to HED Ordinance. The third and fourth sentences of Section 2.18(l) of the HED Ordinance are deleted in their entirety, and the following text is inserted in their place:

With respect to each grant or loan of Authorized Funds or with respect to each contract for goods, work and/or services paid from Authorized Funds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "Budget Director"), (i) one or more City departments or agencies to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds, and/or (ii) the head of the City department or agency who shall be authorized to execute a grant or loan agreement or contract for goods, work and/or services paid from Authorized Funds and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer pursuant to subsection (i) above, such City department or agency shall be authorized to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds. Upon any such written designation by an Authorized Officer pursuant to subsection (ii) above, the head of such City department or agency shall be authorized to execute a grant agreement, loan agreement or contract for goods, work and/or services, as applicable, and such other documents, agreements or instruments as such head of the City department or agency shall deem necessary or desirable. The designations in subsections (i) and (ii) may be effected in the same document.

Section 28. Effective Date. This Ordinance shall take effect upon its passage and approval.

Exhibit A

New Project and Financing

BORROWER: Homan Square Apartments Phase IV Holder, LP, an Illinois limited partnership, the general partner of which is Homan Square Apartments Phase IV, LLC, an Illinois limited liability company, the manager of which is Homan Phase IV Manager, LLC, an Illinois limited liability company, the sole member and manager of which is Foundation for Homan Square, an Illinois not-for-profit corporation.

NEW PROJECT: Acquisition and rehabilitation of six residential facilities and related common facilities for low-income individuals containing approximately 107 residential rental apartment units (together with related common areas along with parking lot facilities, the "**New Project**").

ADDITIONAL FINANCING:

1. **The Note:** as described in the Funding Loan Agreement. The Note will be secured as described in the Funding Loan Agreement, including by a senior mortgage.

2. Existing City HOME Loan:

Amount: Not to exceed \$5,235,025, or such amount as may be acceptable to the Authorized DOH Officer.

Term: Approximately 30 years plus construction period, or another term acceptable to the Authorized DOH Officer.

Source: Multi-Family Program Funds loaned by the City.

Interest: Not less than the applicable federal rate, compounding, at the time of transfer of the New Project, or such interest rate as may be acceptable to the Authorized DOH Officer.

Security: Mortgage on the New Project and/or such other security acceptable to the Authorized DOH Officer. Such mortgage and/or other security shall be junior to the Note Mortgage and any Swap Mortgage (as defined below). If an interest rate swap arrangement is entered into (i) between the Borrower and the Permanent Lender, a mortgage senior to the Mortgage on the New Project in favor of the Permanent Lender to secure Borrower's obligations may be required and/or (ii) between the Borrower and the Construction Funding Lender, a mortgage senior to the Mortgage on the New Project in favor of a party through which the interest rate swap is obtained to secure Borrower's obligations may be required (each individually, a "Swap Mortgage").

3. TIF Proceeds Loan/ TIF Capital Contribution:

Amount: Approximately \$10,000,000, or such amount as may be acceptable to the Authorized DOH Officer.

Source: From proceeds of the Redevelopment Agreement.

Term: To the extent any portion is structured as a loan, approximately 30 years plus construction period, or another term acceptable to the Authorized DOH Officer.

Interest: To the extent any portion is structured as a loan, 0%, or such other interest rate acceptable to the Authorized DOH Officer.

Security: Mortgage on the New Project and/or such other security acceptable to the Authorized DOH Officer. Such mortgage and/or other security shall be junior to the Note Mortgage, the Swap Mortgage, the Existing City HOME Loan, and any mortgage securing the City Funds.

Alternate Structure: FHS may use all or part of the approximately \$10,000,000 amount to make a capital contribution to the General Partner, and then the General Partner may use such funds to make a capital contribution to the Borrower.

4. Low-Income Housing Tax Credit ("LIHTC") Proceeds:

Amount: Approximately \$11,798,480, or such amount as may be acceptable to the Authorized DOH Officer, all or a portion of which may be paid in on a delayed basis, and all or a portion of which will be applied to the payment of a portion of the Note upon the completion of the New Project.

Source: To be derived from the syndication of the LIHTCs generated by the issuance of the Note.

5. General Partner Capital Contribution:

Amount: Approximately \$4,000,000 or such other amount as may be acceptable to the Authorized DOH Officer.

Source: General Partner.

6. Deferred Developer Fee:

Amount: \$367,881 or such other amount as may be acceptable to the Authorized DOH Officer

Source: Developer Fee

Exhibit B

Form of Funding Loan Agreement

[See Attached]

Exhibit C

Form of Borrower Loan Agreement

[See Attached]

Exhibit D

Form of Land Use Restriction Agreement

[See Attached]

Exhibit E

Form of Redevelopment Agreement

[See Attached]

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

Homan Square Apartments Phase IV Holder Redevelopment Agreement

This Homan Square Apartments Phase IV Holder Redevelopment Agreement (this "Agreement") is made as of this [] day of [], 20[], by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Homan Square Apartments Phase IV Holder, LP, an Illinois limited partnership (the "Owner") and Foundation for Homan Square, an Illinois not-for-profit corporation ("FHS"). The Owner and FHS may collectively be referred to hereinafter as the "Developer" or individually as a "Developer Party".

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act and in accordance with the provisions of the Act, the City Council of the City (the "City Council"): (i) approved and adopted a redevelopment plan and project (the "Redevelopment Plan") for the Homan-Arthington redevelopment project area (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (item (iii), the "TIF Adoption Ordinance" and items (i) – (iii) collectively, the "TIF Ordinances") adopted on February 5, 1998 and subsequently amended on November 19, 2014, April 24, 2020, and November 16, 2022, and published in the Journal of the Proceedings of the City Council (the "Journal") for such dates.

To induce redevelopment pursuant to the Act and in accordance with the provisions of the Act, the City Council: (i) approved and adopted a redevelopment plan and project for the Midwest redevelopment project area (the "Midwest Redevelopment Area"); (ii) designated the Midwest Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Midwest Redevelopment Area (the "Midwest TIF Adoption Ordinance") pursuant to ordinances adopted on May 17, 2000 and subsequently amended on May 9, 2012 and December 09, 2015 and published in the Journal for such dates.

The Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Midwest Redevelopment Area.

D. The Project: Owner intends to acquire certain property located within the Redevelopment Area at 3607, 3621, and 3645 West Polk Street, 906 and 908 South Central Park Avenue, and 921 South Lawndale Avenue in Chicago, Illinois and legally described on Exhibit A (the "Property"), and, within the time frames set forth in Section 3.01, shall start and complete a 133,050 square foot residential development consisting of the rehabilitation of six residential buildings and the units therein (the "Facility"). The "Project" means the Facility and related improvements, including but not limited to the TIF-Funded Improvements defined below and set forth on Exhibit B. 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 Redevelopment Plan.

F. Transfer Rights: Pursuant to 65 ILCS 5/11-74.4-4(q) of the Act, the City may use Midwest Incremental Taxes (as defined below) from the Midwest TIF Fund (as defined below) to pay for eligible redevelopment project costs incurred in the Redevelopment Area because the Midwest Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Redevelopment Area (the "Transfer Rights"). To the extent required by the City to pay its City Funds (as defined below) obligation to Developer under this Agreement from time to time, the City, as more particularly hereinafter provided, shall exercise its Transfer Rights pursuant to the Act and transfer Midwest Incremental Taxes from the Midwest Redevelopment Area into the TIF Fund (as defined below).

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

Now, therefore, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit,

vary, define, or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Legal Description of the Property
2. Definitions	B *Project Budgets (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)
3. The Project	C Prior Expenditures
4. Financing	
5. Conditions Precedent	
6. Agreements with Contractors	
7. Completion of Construction or Rehabilitation	
8. Covenants/Representations/Warranties of Developer	(An asterisk (*) indicates which exhibits are to be recorded.)
9. Covenants/Representations/Warranties of the City	
10. Developer's Employment Obligations	
11. Environmental Matters	
12. Insurance	
13. Indemnification	
14. Maintaining Records/Right to Inspect	
15. Defaults and Remedies	
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	

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, and unless otherwise specified, references to Recitals, Sections, Articles and Exhibits are references to Recitals, Sections, Articles and Exhibits of this Agreement:

"Act" is defined in the Recitals.

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

"Affordable Housing Units" shall mean the housing units to be occupied by Low-Income, Very Low-Income and Extremely Low-Income Families financed with City Funds and required to comply with the terms of this Agreement.

"Annual Compliance Report" means a signed report from Owner to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of this Agreement, the

agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Affordable Housing Covenant (Section 8.26); (2) delivery of Financial Statements and unaudited financial statements (Section 8.13); (3) delivery of updated insurance certificates, if applicable (Section 8.14); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (5) delivery of evidence of compliance with the Sustainable Development Policy (Section 8.22); (6) compliance with the Increment and Rate of Return Reporting (Section 8.25); and (7) compliance with all other executory provisions of this Agreement.

"ATS Manual" means the 2023 version of the Architectural and Technical Standards Manual (ATS Manual) issued by DOH.

"Available Project Funds" means: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement.

"Certificate" means the Certificate of Completion of Construction or Rehabilitation described in Section 7.01.

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

"City Contract" is defined in Section 8.01(l).

"City Council" is defined in the Recitals.

"City Funds" is defined in Section 4.03(b).

"Closing Date" means the date of execution and delivery of this Agreement by all parties to this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement, and shall not be later than 180 days following the date of City Council's approval of the Project Ordinance or such other date acceptable to the City's Commissioner of Housing, in their sole discretion.

"Collateral Assignment" shall mean a collateral assignment of the Owner's and FHS's respective interests in this Agreement, such collateral assignment to be made by Owner and/or FHS to secure Lender Financing, in form and substance acceptable to the City in its sole discretion; provided, such collateral assignment cannot be exercised until the lender provides the certification required by Section 18.14 and the assignee assumes all of the obligations of the Owner and FHS under this Agreement.

"Commissioner" means the Commissioner of Planning and Development of the City.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Construction Contract" means the construction contract to be entered into between Owner and the General Contractor providing for construction of the Project.

"Corporation Counsel" means the City's Department of Law.

"Davis-Bacon Act" means the Davis-Bacon Act, as amended (40 U.S.C. Section 3141 et seq.).

"DOH" means the City's Department of Housing.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

"Employer(s)" is defined in Section 10.

"Environmental Laws" means any federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq.; the Gasoline Storage Act, 430 ILCS 15/0.01 et seq.; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago; the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Equity" means Developer's funds (other than funds derived from Lender Financing), including tax credit equity from the Limited Partner, irrevocably available for the Project, in the amount set forth in Section 4.01, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow" means the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement establishing a construction escrow, to be entered into as of the date of this Agreement by the City, if applicable, the Title Company (or an affiliate of the Title Company), Developer and Owner's lender(s), in a form acceptable to the City.

"Event of Default" is defined in Section 15.

"Existing Mortgage" is defined in Section 16.

"Extremely Low-Income Families" shall mean Families whose annual income does not exceed thirty percent (30%) of the Chicago-area median income (AMI), adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

"Facility" is defined in the Recitals.

"Family" means one or more individuals, whether or not related by blood or marriage.

"Final Comprehensive Residential NFR Letter" shall mean a final comprehensive residential "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Financial Interest" is defined in Section 2-156-010 of the Municipal Code.

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

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable year, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by Developer or by third parties in positions ancillary to Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"General Contractor" means the general contractor(s) hired by Owner pursuant to Section 6.01.

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

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"Human Rights Ordinance" is defined in Section 10.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" is defined in Section 4.07.

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

"Indemnitee" and "Indemnitees" are defined in Section 13.01.

"Junior Mortgage" shall mean a Junior Mortgage executed by the Owner as mortgagor, in favor of the City, as mortgagee, securing certain of the Owner's obligations under this Agreement and the Junior Mortgage; and which shall be recorded against the Property on or before the date of this Agreement.

"Lender Financing" means funds borrowed by Owner from lenders, including the Senior Permanent Loan, which are irrevocably available to pay for costs of the Project in the amount set forth in Section 4.01.

"Limited Partner" means Red Stone Equity Holding, LLC, a Delaware limited liability company and its successors and assigns, or another entity acceptable to the City, in its sole discretion.

"Losses" means any and all debts, liens, claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs), and shall include without limitation (a) the cost of any investigation, removal, remedial or other response action that is required by any Environmental Law, that is required by judicial order or by order of or agreement with any governmental authority, or that is necessary or otherwise is reasonable under the circumstances, and (b) costs imposed under any Environmental Law enacted after the Closing Date.

"Low-Income Families" means Families whose annual income does not exceed eighty percent (80%) of the Chicago-area median income (AMI), adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

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

"MBE/WBE Budget" means the MBE/WBE Budget attached as Exhibit B, as described in Section 10.03.

"MBE/WBE Program" is defined in Section 10.03.

"Midwest Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the Midwest TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit into the Midwest TIF Fund, as adjusted to reflect the amount of the Midwest TIF District Administration Fee (as defined below).

"Midwest Redevelopment Area" is defined in the Recitals.

"Midwest TIF District Administration Fee" is defined in Section 4.

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

"Midwest TIF Adoption Ordinance" is defined in the Recitals.

"Municipal Code" means the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" is defined in Section 16.

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

"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, or (b) is a hazard to the environment or to the health or safety of persons.

"Permitted Liens" means (i) mortgages against the Property and/or the Project recorded on or before the date of this Agreement and securing the Lender Financing or the Swap, (ii) the mortgages securing any Permitted Refinancing, (iii) leases of portions of the Property entered into after the date hereof in Developer's ordinary course of business, if any, and (iv) those matters set forth as Schedule B title exceptions in the Title Policy, but only so long as applicable title

endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

"Permitted Refinancing" means the refinancing of the Senior Loan with a loan satisfying the following requirements: (i) the principal amount does not exceed the principal amount of the Senior Loan at the time of refinancing, (ii) the interest rate does not exceed the market rate of interest for comparable loans at the time of such refinancing, and (iii) the projected debt service coverage ratio does not exceed the existing debt service coverage ratio required (if any) to close the existing Senior Loan.

"Permitted Mortgage" is defined in Section 16.

"Phase I ESA" shall mean a Phase I environmental site assessment of the Property in accordance with ASTM E-1527-21 (as most recently updated at the time of assessment).

"Phase II ESA" shall mean a Phase II environmental site assessment of the Property in accordance with ASTM E-1903-19 (as most recently updated at the time of assessment).

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

"Prior Expenditures" is defined in Section 4.05(a).

"Project" is defined in the Recitals.

"Project Budget" means the Project Budget attached as Exhibit B, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 3.03.

"Project Ordinance" means the ordinance adopted by City Council on [] and published in the Journal for such date at pages [].

"Property" is defined in the Recitals.

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"RAP Approval Letter" shall mean written approval from the IEPA of a RAP.

"Redevelopment Area" is defined in the Recitals.

"Redevelopment Plan" is defined in the Recitals.

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

"Regulatory Agreement" means each regulatory agreement, if any, describing Developer's obligation to provide affordable housing at the Facility, executed by Developer and the City as of the date hereof.

"Remediation Work" means all investigation, sampling, monitoring, testing, reporting, removal, response, disposal, storage, remediation, treatment and other activities taken to obtain a Final Comprehensive Residential NFR Letter for the Property in accordance with the terms and conditions of the RAP Approval Letter for the Property issued by the IEPA, the SRP Documents (as defined below), all requirements of the IEPA, and all applicable federal, state, and local laws, ordinances, and regulations, including, without limitation, all applicable Environmental Laws.

"Requisition Form" means the document, in the form to be provided by the City, to be delivered by Developer to DPD pursuant to Section 4.04.

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

"Senior Lender" means the Senior Construction Lender, and its successors and assigns, and following the closing of the Senior Permanent Loan, the Senior Permanent Lender, and its successors and assigns.

"Senior Construction Lender" means BMO Bank N.A., a national banking association.

"Senior Construction Loan" means the loan in the principal amount of \$19,000,000, made by the City to the Owner using proceeds of a tax exempt funding loan made by the Senior Construction Lender to the City, and secured by a mortgage encumbering the Property, made by the Owner to the City and assigned by the City to the Senior Construction Lender.

"Senior Loan" means initially, the Senior Construction Loan, and upon the closing of the Senior Permanent Loan, the Senior Permanent Loan.

"Senior Permanent Lender" means Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation.

"Senior Permanent Loan" means the loan or loans in the aggregate principal amount of \$[6,000,000] to be made by the Senior Permanent Lender to the Owner to refinance the Senior Construction Loan and secured by a mortgage encumbering the Property.

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

"SRP Documents" means all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, and the Remedial Action Completion Report and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

"Subordination Agreement" means that certain Subordination Agreement dated as of the Closing Date and executed between the City and the Senior Lender.

"Survey" means a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days before the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

"Swap" means, individually or collectively, as applicable, the Swap (Construction Financing) and Swap (Permanent Financing).

"Swap (Construction Financing)" means an interest rate swap transaction entered into at the Closing Date by and between the Owner and a rate management agent, with respect to the Senior Construction Loan for the Project.

"Swap (Permanent Financing)" means an interest rate swap transaction entered into at the Closing Date by and between the Owner and Cedar Rapids Bank and Trust Company, with respect to permanent financing for the Project.

"Term of the Agreement" means the period of time starting on the Closing Date and ending on the thirtieth anniversary of the issuance of the Certificate.

"TIF Adoption Ordinance" is defined in the Recitals.

"TIF District Administration Fee" means the fee described in Section 4.05(b).

"TIF Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which (i) the Incremental Taxes will be deposited and (ii) any Midwest Incremental Taxes may be deposited if the City exercises its Transfer Rights.

"TIF-Funded Improvements" means those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit B lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" is defined in the Recitals.

"Title Company" means Title Services Midwest, LLC.

"Title Policy" means a title insurance policy in the most recently revised ALTA or equivalent form, showing fee simple title in the Owner and naming the City as the insured mortgagee in the full amount of the City Funds, noting the recording of this Agreement, Junior Mortgage, and Regulatory Agreement as an encumbrance against the Property, and a subordination agreement in a form acceptable to the City 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.

"Transfer Rights" is defined in the Recitals

"Very Low-Income Families" shall mean Families whose annual income does not exceed fifty percent (50%) of the Chicago-area median income (AMI), adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

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

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, Owner shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17: (i) start construction no later than 180 days after the Closing Date; and (ii) complete construction and conduct business operations in the Facility no later than 30 months after the Closing Date.

3.02 Scope Drawings and Plans and Specifications. If requested by DPD, Developer shall submit to DPD the Scope Drawings and Plans and Specifications, and DPD reserves the right to review and approve these documents. If requested by DPD, Developer shall submit to DPD subsequent proposed changes to the Scope Drawings or Plans and Specifications as a Change Order pursuant to Section 3.04. The Scope Drawings and Plans and Specifications shall always conform to the Redevelopment Plan and all applicable federal, state, and local laws, ordinances and regulations. Owner shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Owner has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$32,286,475. Owner hereby

certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.01, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct, and complete in all material respects. Owner shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the Project by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of the Project to a use other than as described in Recital D; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith before Developer receives DPD's written approval (to the extent City prior approval is required pursuant to the terms of this Agreement). 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 agreed to provide under this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but within 10 business days after executing such a Change Order, Developer shall notify DPD in writing of such Change Order and 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. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals). Owner shall not start construction of the Project until Owner has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

3.07 Progress Reports and Survey Updates. If requested by DPD, Owner shall provide DPD with written progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Written progress reports must be submitted to DPD electronically to the website and/or email specified by the City. Owner shall provide an updated Survey to DPD if requested by DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Owner's architect) shall be selected to act as the inspecting agent or architect, at Owner's expense, for the Project, and DPD reserves the right to evaluate and approve the inspecting agent or architect. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect to these inspections to DPD, before Owner requests disbursement for costs related to the Project under this Agreement or the Escrow Agreement, if any. If approved by the City, the inspecting agent or architect may be the same one being used in such role by a lender providing Lender Financing, provided that such agent or architect (a) is not also Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

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

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

3.11 Utility Connections. Owner may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related to such connections.

3.12 Permit Fees. In connection with the Project, Owner shall be obligated to pay, or cause to be paid, only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago. In connection with the Project, the Owner shall cause the General Contractor to pay for the fire protection permit.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The estimated total cost of the Project is shown below, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity	
Tax Credit Equity	\$[11,798,480]
Deferred Developer Fee	\$[404,513]
General Partner Equity*	\$[685,804]
Lender Financing**	
Senior Permanent Loan	\$[6,000,000]

Existing Loans	\$[3,417,900]
City TIF (subject to <u>Section 4.03</u>)	\$9,979,778***
Estimated Total	\$[32,286,475]

*Subject to Sections 4.03(b) and 4.06

**The proceeds of the Senior Construction Loan shall be deemed part of the Lender Financing for purposes of bridging deferred Equity contributions and installments of City Funds until conversion to the Senior Permanent Loan.

***City TIF maximum amount is \$10,000,000.

The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit B 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 in Exhibit B (subject to Sections 4.03(b) and 4.05(b)), contingent upon the City receiving documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5, 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 Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Total Maximum Amount</u>
Incremental Taxes and/or Midwest Incremental Taxes	\$10,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed \$10,000,000; and provided further, that the City Funds shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Incremental Taxes and Midwest Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$10,000,000 is contingent upon the fulfillment of the condition set forth above. If such condition is not fulfilled, the amount of Equity to be contributed by the general partner of Owner pursuant to Section 4.01 shall increase proportionately.

(c) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, the City shall disburse the City Funds in four (4) payments as follows:

(i) \$[2,993,933] upon the completion of 30% of construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation submitted to DPD;

(ii) \$[2,993,933] upon the completion of 60% of construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation submitted to DPD;

(iii) \$[2,993,933] upon the completion of 90% of construction of the Project based upon the amount of actual Project costs incurred in relation to the Project Budget as certified to the City in a Requisition Form with required supporting documentation submitted to DPD; and

(iv) \$[997,979] upon issuance of Certificate.

FHS, as one of the recipients of the City Funds, and Owner, as the potential borrower and/or recipient of such City Funds that FHS receives, hereby direct and agree that the City shall disburse any amounts to be paid by the City pursuant to Section 4.03(c)(iii) and (iv) to FHS directly to a subaccount established pursuant to the Escrow Agreement for the partial repayment of the Senior Construction Loan. Notwithstanding the foregoing, the disbursement of City Funds pursuant to Section 4.03(c)(iv) may be remitted directly to Senior Construction Lender upon receipt by the City of a letter of direction to that effect from the Developer Parties.

(d) Transfer Rights. The City may use its Transfer Rights to transfer an amount not to exceed \$10,000,000 of Midwest Incremental Taxes into the TIF Fund.

4.04 Requisition Form. Developer Parties shall provide DPD with a Requisition Form for reimbursement of TIF-Funded Improvements, along with the documentation described in the Requisition Form. On each December 1 (or such other date as the parties may agree), beginning after the Certificate is issued and continuing throughout the Term of the Agreement, Developer shall meet with DPD at the request of DPD to discuss any Requisition Form previously delivered.

The Developer hereby appoints the Owner as the agent for all the Developer Parties for the purpose of executing Requisition Forms and other certifications required to be delivered to the City pursuant to this Agreement and providing support documentation in connection with requests for disbursement of City Funds hereunder.

The City and Developer Parties acknowledge that the proceeds of the Senior Construction Loan referenced in Section 4.01 will be used to bridge certain installments of the City Funds and that certain installments of the City Funds will be applied to the partial repayment of the Senior Construction Loan.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Effect of Prior Expenditures on Equity or Lender Financing demonstrated before the Closing Date. If Developer incurs and pays Project expenses before the Closing Date and wants these expenses to reduce the amount of Equity or Lender Financing Developer is required to demonstrate before the Closing Date, then Developer shall provide documentation of these expenses satisfactory to DPD. Any such expenses reviewed and approved in writing by DPD, in its sole discretion, shall be referred to as "Prior Expenditures". Prior Expenditures made for TIF-Funded Improvements may be reimbursed to Developer under the terms of this Agreement. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer but shall reduce the amount of Equity and/or Lender Financing Developer is required to contribute under Section 4.01. Prior Expenditures, if applicable, shall be listed on Exhibit C.

(b) TIF District Administration Fee. Annually, the City may allocate from the TIF Fund an amount (the "TIF District Administration Fee") not to exceed five percent (5%) of the Incremental Taxes to pay costs the City incurred to administer and monitor the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds before any City Funds are paid under this Agreement.

Annually, the City may allocate from the Midwest TIF Fund an amount (the "Midwest TIF District Administration Fee") not to exceed five percent (5%) of the Midwest Incremental Taxes to pay costs the City incurred to administer and monitor the Midwest Redevelopment Area. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds before any City Funds are paid under this Agreement.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Preconditions of Disbursement. Before each disbursement of City Funds, Developer shall submit a Requisition Form and documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Developer's delivery of any request for disbursement of City Funds shall, in addition to the items expressly set forth in such request, constitute Developer's certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

4.08 Conditional Grant. The City Funds are being granted on a conditional basis, subject to Developer's compliance with the provisions of this Agreement, and are subject to being reimbursed as provided in Section 15.02.

SECTION 5. CONDITIONS PRECEDENT

Developer has complied with the following conditions to the City's satisfaction on or before the Closing Date:

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

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

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

5.04 Financing. Owner has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If such funds include Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds of the Lender Financing (a) are available for Developer to draw upon as needed and (b) are sufficient, along with the Equity and/or other sources set forth in Section 4.01, to complete the Project. If the City is not a party to the Escrow Agreement, then Developer has delivered to DPD a copy of the Escrow Agreement. Any liens against the Property existing at the Closing Date have been subordinated to certain encumbrances of the City set forth in this Agreement pursuant to a subordination agreement, in a form acceptable to the City, executed on or before the Closing Date, which is to be recorded, at Owner's expense, with the Cook County Clerk's Office.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property. The Title Policy is dated as of the Closing Date and contains only those title exceptions that are Permitted Liens and evidences the recording of this Agreement, the Junior Mortgage and the Regulatory Agreement pursuant to the provisions of Section 8.18. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's ALTA 9 series endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access, and survey. Developer has provided to DPD, on or before the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements to the Title Policy.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name and Developer's trade names showing no liens against Developer, the Property or any fixtures now or hereafter affixed to the Property, except for the Permitted Liens:

Jurisdiction	Searches
Secretary of State	UCC, Federal tax
Cook County Clerk's Office	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court, Northern District - Illinois	Pending suits and judgments, bankruptcy
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 Surveys. Owner has furnished the City with a copy of the Survey.

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

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in form and substance acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the Corporation Counsel, such opinions must be obtained by Developer from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a).

5.11 Financial Statements. Each Developer Party has provided Financial Statements to DPD for its most recent fiscal year and audited or unaudited interim financial statements.

5.12 [Intentionally Omitted].

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

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state, or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Additional Documents. The Developer must have delivered to the City the Junior Mortgage, Regulatory Agreement and such financing statements as the City may require.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors

(a) DPD acknowledges that Owner has selected Burling Solis Joint Venture, a joint venture comprised of Burling Builders, Inc., an Illinois corporation, and Solis Construction, Inc., an Illinois corporation, as the General Contractor for the Project. Owner will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago, and if requested by DPD shall submit all bids received to DPD for its inspection and written approval.

(b) Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Copies 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 after they are signed. 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, if requested by DPD in accordance with Section 3.02, and all requisite permits have been obtained.

6.02 Construction Contract. Before executing the Construction Contract, 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 6.01 above, for DPD's prior written approval, which DPD shall grant or deny within ten (10) business days after delivery of the proposed Construction Contract. The Developer shall ensure that its General Contractor adheres to the policies and procedures outlined in the ATS Manual. Within ten (10) business days after the Construction Contract is executed by all parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments, or supplements thereto.

6.03 Performance and Payment Bonds. Before starting construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Before starting construction of any portion of the Project which includes work on the public way, 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 acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy or the failure of any subcontractor to satisfy, such obligation shall not result in a default or a termination of this

Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records). Copies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement. DPD shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

Developer acknowledges and understands that the City will not issue the Certificate and pay out the last installment of City Funds in connection with the Project, until the following conditions have been met:

- (a) Evidence that Developer has incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project; and
- (b) Receipt of a certificate of occupancy for the Project or other evidence acceptable to DPD that Developer has complied with building permit requirements for the Project; and
- (c) The Facility is open for operation and in the process of being marketed for lease to tenants in accordance with the affordability provisions described in Section 8.26; and
- (d) Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage); and
- (e) Evidence acceptable to DPD that the Project has complied with the Sustainable Development Policy; and
- (f) There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction and/or rehabilitation of the Project, and upon its issuance, the City will certify

that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the Certificate is issued, however, all executory terms and conditions of this Agreement and all representations and covenants contained in this Agreement 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 8.02 (Covenant to Redevelop), Section 8.19 (Real Estate Provisions), Section 8.20 (Annual Compliance Report), Section 8.26 (Affordable Housing Covenant), and Section 14.02 (Inspection Rights) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that when the Certificate is issued, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property from and after the date of this Agreement shall be made explicitly subject to the covenants listed above that run with the land.

The other executory terms of this Agreement that remain after the Certificate is issued shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities under this Agreement.

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

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.03, either FHS or the Owner must reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from Developer in accordance with Section 15.02.

7.04 Notice of Expiration of Term of Agreement. When the Term of the Agreement expires, at Developer's written request DPD shall provide Developer with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. The representations and warranties provided by each Developer Party under this Agreement are material conditions precedent to the City's obligations under this Agreement. Each Developer Party, as applicable, represents, warrants, and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder and throughout the Term of the Agreement, that:

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

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Owner shall acquire and shall maintain good, indefeasible, and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, mortgages securing any Lender Financing, Permitted Mortgages, mortgages securing any Permitted Refinancing, and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15);

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

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

(g) Owner has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

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

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

(j) prior to the issuance of the Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) become 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 to the Property) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing, the Swap, any Permitted Refinancing or tax credit equity investment for the Project); or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Owner has not incurred, and, before the Certificate is issued, shall not, without the prior written consent of the Commissioner, 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 to the Property, except Lender Financing disclosed in the Project Budget, the Swap, and any Permitted Refinancing; and

(l) None of the Developer Parties have 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) None of the Developer Parties nor any affiliate of the Developer Parties is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

(n) Each Developer Party understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the account of the TIF Fund designated for the Project; (ii) the City Funds do not constitute indebtedness of the City within the meaning of

any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

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

(p) Developer understands if the conditions described in Section 4.03(b) are not satisfied, the amount of City Funds actually received by any Developer Party may be less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands that, except for the Collateral Assignment, it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.14 (Assignment), and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

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

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to Developer shall be used by Developer solely to pay for (or to reimburse Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements; provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at 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 to such bonds.

8.06 Jobs Creation: Owner anticipates that the Project will result in the creation of 30 FTE temporary construction jobs. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of jobs shall not constitute an Event of Default.

8.07 Employment Opportunity, Progress Reports: Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03. Such reports shall be delivered to the City when the Project is 30%, 60%, 90% and 100% completed (based on the amount of Project costs incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Owner shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, how Owner shall correct any shortfall.

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

8.09 Prevailing Wage: 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, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09. Notwithstanding the foregoing, if the Project is subject to the requirements of the Davis-Bacon Act, then (x) pursuant to 820 ILCS 130/11, Section 11 of the Illinois Prevailing Wage Act (820 ILCS 130/0/01 et seq.), the prevailing wage requirements ascertained by the Department shall not apply to the Project, and (y) Developer shall comply with the Davis-Bacon Act with respect to the Project.

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

8.11 Conflict of Interest: Pursuant to Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or

controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's most recent fiscal year and each fiscal year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, and subject to subsection (b) below, 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, 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. 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. 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 Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

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

materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Owner shall cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements to this Agreement, the Junior Mortgage, and Regulatory Agreement to be recorded and filed, at Owner's expense, against the Property on the date hereof in the Cook County Clerk's Office. Either this Agreement shall be recorded prior to any mortgage made in connection with Lender Financing or, if this Agreement is not recorded first, a subordination agreement must be prepared, executed and recorded against the Property. Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

(a) Governmental Charges.

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

(ii) Right to Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying, or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(1) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or

any part of the Property to satisfy such Governmental Charge before the final determination of such proceedings; and/or

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, then Developer shall advise DPD in writing. At that time DPD in its sole discretion may, but shall not be obligated to, make all or any part of such payment or obtain such discharge and take any other related action which DPD deems advisable. By taking any action under this paragraph, DPD shall not waive or release any obligation or liability of Developer under this Agreement. Developer shall promptly reimburse DPD for all sums, if any, DPD pays under this paragraph and expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto. Notwithstanding anything contained in this paragraph to the contrary, this paragraph shall not be construed to obligate the City to pay any Governmental Charge. If Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of the Agreement, without the consent of the City, directly or indirectly, initiate, seek or apply for any real estate tax incentive established under the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time; provided, however, the Developer may apply for tax incentives and tax abatement under the Cook County Affordable Housing Special Assessment Program.

(d) Notification to the Cook County Assessor of Change in Use or Ownership. If required under 35 ILCS 200/15-20 due to a change in use or ownership of the Property, within 90 days after the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor of such change in use or ownership. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Annual Compliance Report. Starting when the Certificate is issued and continuing throughout the Term of the Agreement, Owner shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal

Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Sustainable Development Policy. Developer shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project within one (1) year after the date of the Certificate. If a default occurs under this Section 8.22, the City shall have the right to seek reimbursement of City Funds in the amount of \$250,000 in accordance with Section 15.02.

8.23 FOIA and Local Records Act Compliance.

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

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

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

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties to this Agreement and, except as provided in Section 7 when the Certificate is issued, shall be in effect throughout the Term of the Agreement.

8.25 Increment and Rate of Return Reporting. As required by 65 ILCS 5/11-74.4-5(d), Developer agrees to report to the City: (a) the amount of Incremental Taxes projected to be created by the Project at the Closing Date; (b) the amount of Incremental Taxes created by the Project through the end of the previous calendar year, using the same assumptions used for the

projections described in item (a) above; and (c) the Project's stated rate of return identified by the Developer, which shall be independently verified by a third party chosen by the City.

8.26 Affordable Housing Covenant.

(a) Developer agrees and covenants to the City that:

(i) if a Regulatory Agreement was executed and remains in effect, then Developer shall be obligated to provide affordable housing as described in the Regulatory Agreement;

(ii) if a Regulatory Agreement was executed and was later terminated or released, including without limitation due to foreclosure by a lender providing Lender Financing, then Developer shall be obligated to provide affordable housing as described in Section 8.26(b) from the date the last outstanding Regulatory Agreement is terminated or released through the remaining Term of the Agreement; and

(iii) if no Regulatory Agreement was executed, then Developer shall be obligated to provide affordable housing as described in Section 8.26(b) for the entire Term of the Agreement.

(b) The Facility shall be operated and maintained solely as residential rental housing.

All 107 of the units in the Facility shall be Affordable Housing Units for the entire Term of the Agreement. The rent for such Affordable Housing Units shall not exceed the rent restrictions set forth below. A separate space in the Facility, in addition to the 107 units mentioned herein, will be used as a residential leasing and management office.

Each unit in the Facility shall have monthly rent not in excess of thirty percent (30%) of the maximum allowable income for a Low-Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family that no longer qualifies as a Low-Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

The Affordable Housing Units and remaining apartments shall have the following unit configuration, provided, however, Developer shall, with the prior written approval of DOH, have the right to reconfigure the unit mix and distribution of income restriction set forth below:

Affordable at < 30% AMI	Affordable at 31-50% AMI:	Affordable at 51-60% AMI:	Total:
12 units	11 units	84 units	107

(c) The covenants set forth in this Section shall run with the land and be binding upon any transferee.

(d) The City and Developer may enter into a separate agreement to implement the provisions of this Section.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties to this Agreement and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction

of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

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

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

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02.

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

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

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

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

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

name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

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

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

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

When work at the Project is completed, in the event that the City has determined that Owner has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Owner 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 Owner, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Owner pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Owner must surrender damages as provided in this paragraph.

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

Owner shall cause or require the provisions of this Section 10.02 to be included in the Construction Contract and subcontracts related to the Project.

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

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

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

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

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

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

access to all such records maintained by Owner, on five Business Days' notice, to allow the City to review Owner's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

Owner hereby represents and warrants to the City that Owner 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 its Exhibits, the Scope Drawings, Plans and Specifications and all amendments thereto and the Redevelopment Plan.

The Developer obtained a Phase I ESA of the Property and a follow-up Phase II ESA. The Phase II ESA did not identify the presence of contamination exceeding residential remediation objectives as set forth in 35 Ill. Adm. Code Part 742. If the Developer encounters underground storage tanks ("USTs") during the development of the Project, the Developer shall remove and close the USTs in accordance with applicable regulations, including 41 Ill. Adm. Code Part 175 or 35 Ill. Adm. Code Part 734 (if the UST is leaking). In addition, if the Developer discovers soil or soil gas not meeting the requirements of 35 Ill. Adm. Code Section 742.305, the Developer shall remove such soil or soil gas. Upon discovering any such environmental conditions, the Developer shall immediately notify the City's Departments of Fleet & Facility Management ("2FM") and shall obtain 2FM's approval of (i) the scope of work of any investigation, remediation or removal activities prior to commencing such work, and (ii) following completion, any reports or other documents demonstrating compliance with all applicable laws, including Environmental Laws. If required by 2FM, the Developer shall enroll the Property in the SRP and take all necessary and proper steps to obtain a Final Comprehensive Residential NFR Letter approving the use of the Property for the construction, development, and operation of the Project. The Developer shall bear sole responsibility for all investigative and cleanup costs associated with the Property and shall promptly transmit to the City copies of all environmental documents prepared or received with respect to the Property, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges that, except in the case of information specifically designated by the Developer to be treated confidentially as a trade secret or secret process, the City may make environmental assessments, hazardous material building surveys, SRP submittals, or similar environmental documents relating to the Property publicly available, and Developer consents to the City's publication of those documents.

No bio-solids or bio-solids-based products may be imported to the Property from a wastewater treatment facility or other source. All imported material shall meet applicable SRP standards.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of 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 Owner, or any person directly or indirectly controlling, controlled by or under common control with Owner, 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 the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

(a) Before execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit and \$1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater.

(ii) Commercial General Liability

Commercial General Liability Insurance or equivalent must be maintained with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to, the following: all premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, contractual liability (not to include endorsement CG 21 39 or equivalent), no exclusion for damage to work performed by Sub-developers, any limitation of coverage for designated premises or project is not permitted (not to include endorsement CG 21 44 or equivalent) and any endorsement modifying or deleting the exception to the Employer's Liability exclusion is not permitted. Where the general aggregate limit applies, the general aggregate must apply per project/location and once per policy period if applicable, or Developer may obtain separate insurance to provide the required limits which will not be subject to depletion because of claims arising out of any other work or activity of Developer. If a general aggregate applies to products/completed operations, the general aggregate limits must apply per project and once per policy period.

The City must be provided additional insured status with respect to liability arising out of Developer's work, services or operations and completed operations performed on behalf of the City. Such additional insured coverage must be provided on ISO form CG 2010 10 01 and CG 2037 10 01 or on an endorsement form at least as broad for ongoing operations and completed operations. The City's additional insured status must apply to liability and defense of suits arising out of Developer's acts or omissions, whether such liability is attributable to the Contactor or to the City. The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted. Developer's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

(iii) All Risk Property

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

(iv) Automobile Liability

A Business Auto Policy covering any motor vehicles (owned, non-owned and hired) which are used in connection with work, services, or operations to be performed, must be maintained by the Developer. Limits of not less than \$1,000,000 per accident for bodily injury and property damage and covering the ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or services. The City is to be added as an additional insured on a primary, non-contributory basis. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted.

(v) Blanket Crime (when applicable)

When applicable, Developer must maintain Crime Insurance or equivalent covering all persons handling funds under this Agreement, against loss by employee dishonesty, forgery or alteration, funds transfer fraud, robbery, theft, destruction or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit shall be written to cover losses in the amount of the maximum monies collected or received and in the possession of Developer at any given time under this Agreement.

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

(i) Workers Compensation and Employers Liability

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit and \$1,000,000 disease-each employee, or the full per occurrence limits of the policy, whichever is greater.

(ii) Commercial General Liability

Commercial General Liability Insurance or equivalent must be maintained with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage liability. Coverages must include but not be limited to, the following: all premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, contractual liability (not to include endorsement CG 21 39 or equivalent), no exclusion for damage to work performed, any limitation of coverage for designated premises or project is not permitted (not to include endorsement CG 21 44 or

equivalent) and any endorsement modifying or deleting the exception to the Employer's Liability exclusion is not permitted. Where the general aggregate limit applies, the general aggregate must apply per project/location and once per policy period if applicable, or the insured party may obtain separate insurance to provide the required limits which will not be subject to depletion because of claims arising out of any other work or activity of the insured party. If a general aggregate applies to products/completed operations, the general aggregate limits must apply per project and once per policy period.

The City must be provided additional insured status with respect to liability arising out of the insured party's work, services or operations and completed operations performed on behalf of the City. Such additional insured coverage must be provided on ISO form CG 2010 10 01 and CG 2037 10 01 or on an endorsement form at least as broad for ongoing operations and completed operations. The City's additional insured status must apply to liability and defense of suits arising out of any of the insured party's acts or omissions, whether such liability is attributable to the insured party or to the City. The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted. The insured party's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

(iii) Automobile Liability

When any motor vehicles (owned, non-owned and hired) are used in connection with work, services, or operations to be performed, Automobile Liability Insurance must be maintained with limits of not less than \$2,000,000 per accident for bodily injury and property damage and covering the ownership, maintenance, or use of any auto whether owned, leased, non-owned or hired used in the performance of the work or services. The City is to be added as an additional insured on a primary, non-contributory basis. A copy of the physical "Additional Insured" endorsement must accompany the Certificate of Insurance when submitted.

(iv) Railroad Protective Liability

When, in connection with this Agreement, any work is to be done within 50 feet adjacent to or on property owned by a railroad or public transit entity, Developer shall procure and maintain, or cause to be procured and maintained, with respect to the operations that Developer or any insured party shall perform, railroad protective liability insurance in the name of such railroad or public transit entity. The policy shall have limits of not less than \$2,000,000 per occurrence, combined single limit, and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) Builders Risk (when applicable)

When any construction, including improvements, betterments, and/or repairs to real property, is undertaken, Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery, and

fixtures that are or will be part of the project. Coverage(s) must include, but are not limited to, the following: material stored off-site and in-transit; collapse; water, including leakage, overflow, sewer backup or seepage; debris removal; landscaping; and faulty workmanship or materials. The City is to be named as an additional insured and loss payee.

(vi) Professional Liability (when applicable)

When any professional consultants perform work, services, or operations in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$2,000,000 per claim. Coverage must include, but not be limited to, technology errors and omissions and pollution liability if environmental site assessments are conducted, when applicable. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede start of work under this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Pollution Liability (when applicable)

When any Remediation Work or services performed involves a potential pollution risk that may arise from the operations in connection with the work that may fall under the scope and direction of the Developer, the Developer must cause remediation contractor to provide Pollution Liability coverage with limits no less than \$2,000,000 per occurrence or claim and \$2,000,000 aggregate per policy period of one year. Coverage must be provided or caused to be provided, covering bodily injury, property damage and other losses caused by pollution conditions. Coverage must include but not be limited to completed operations, contractual liability, defense, excavation, environmental cleanup, remediation, and disposal and if applicable, include transportation and non-owned disposal coverage. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

The City must be provided with an additional insured status with respect to liability arising out of work, services or operations performed on behalf of the City. The City's additional insured status must apply to liability and defense of suits arising out of the insured party's acts or omissions, whether such liability is attributable to the insured party or to the City on an additional insured endorsement form acceptable to the City. The City is to be named as an additional insured on a primary, non-contributory basis. The Developer and any other insured party 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 transportation of Hazardous Materials.

The full policy limits and scope of protection also will apply to the City as an additional insured, even if they exceed the City's minimum limits required herein. The insured party's liability insurance must be primary without right of contribution by any other insurance or self-insurance maintained by or available to the City.

(xi) Umbrella or Excess

Umbrella or Excess Liability Insurance must be maintained with limits of not less than \$10,000,000 per occurrence, or the full per occurrence limits of the policy, whichever is greater. The policy/policies must provide the same coverages/follow form as the underlying Commercial General Liability, Automobile Liability, Employers Liability and Completed Operations coverage required herein and expressly provide that the Excess or Umbrella policy/policies will drop down over reduced and/or exhausted aggregate limit, if any, of the underlying insurance. The Excess/Umbrella policy/policies must be primary without the right of contribution by any other insurance or self-insurance maintained by or available to the City.

A combination of primary and Excess/Umbrella policies may be used to satisfy the limits of liability required under Workers' Compensation, Employer's Liability, Commercial General Liability, and Automobile Liability.

(x) Installation Floater (when applicable)

When any construction is undertaken, but there is no real property construction taking place, Developer must cause to provide All Risk Installation Floater Insurance to cover installation work, including improvements, betterments, and/or repairs. The Installation Floater must provide for replacement cost of materials, supplies, equipment, machinery and fixtures that are or will be part of the final project. Coverages must include, but are not limited to, the following: material stored off-site and in-transit; collapse; water, including leakage, overflow, sewer backup or seepage; debris removal; landscaping; and faulty workmanship or materials. The City is to be named as an additional insured and loss payee.

(xi) Marine Protection & Indemnity (when applicable)

When Developer undertakes any marine operation in connection with this Agreement, Developer must provide, or cause to provide, Marine Protection & Indemnity coverage with limits of not less than \$1,000,000 per occurrence. Coverage must include, but not be limited to: property damage and bodily injury to third parties; injuries to crew members if not provided through other insurance; damage to wharves; piers and other structures; and collision. The City is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property

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

(d) Other Requirements:

Evidence of Insurance. Developer must furnish the City certificates of insurance and additional insured endorsement, or other evidence of insurance (the "Certificate of Insurance" or "COI"), to be in force on the date of this Agreement, and renewal COIs and endorsement, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of the Agreement. The Developer must submit evidence of insurance prior to execution of this Agreement. The receipt of any COI does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the COI are in compliance with all requirements of this Agreement. The failure of the City to obtain, nor the City's receipt of, or failure to object to a non-complying insurance certificate, endorsement or other insurance evidence from Developer, its insurance broker(s) and/or insurer(s) will not be construed as a waiver by the City of any of the required insurance provisions. Developer must advise all insurers of this Agreement's provisions regarding insurance. The City in no way warrants that the insurance required herein is sufficient to protect the Developer for liabilities which may arise from or relate to this Agreement. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time.

Failure to Maintain Insurance. Failure of the Developer to comply with required coverage and terms and conditions outlined herein will not limit Developer's liability or responsibility nor does it relieve Developer of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may constitute a violation of this Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or this Agreement may be terminated.

Notice of Material Change, Cancellation or Non-Renewal. Developer must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed and ten (10) days prior written notice for non-payment of premium. A copy of the physical endorsements must accompany the Certificate of Insurance for General Liability, Automobile Liability and Workers' Compensation in order to comply with the insurance requirements.

Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Developer.

Waiver of Subrogation. Developer hereby waives its rights and its insurer(s)' rights of, and agrees to require their insurers to waive their rights of, subrogation against the City under all required insurance herein for any loss arising from or relating to this Agreement. The Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether the City receives a waiver of subrogation endorsement for Developer's insurer(s).

Developers Insurance Primary. All insurance required of Developer under this Agreement shall be endorsed to state that Developer's insurance policy is primary and not contributory with any insurance carrier by the City.

No Limitation as to Developer's Liabilities. The coverages and limits furnished by the Developer in no way limit the Developer's liabilities and responsibilities specified within this Agreement or by law.

No Contribution by the City. Any insurance or self-insurance programs maintained by the City do not contribute with insurance provided by Developer under this Agreement.

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

Insurance and Limits Maintained. If Developer maintains higher limits and/or broader coverage than the minimums shown herein, the City requires and shall be entitled the higher limits and/or broader coverage maintained by Developer. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

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

Other Insurance obtained by Developer. If Developer desires additional coverages, the Developer will be responsible for the acquisition and cost.

Insurance required of General Contractor and Subcontractors. Developer must require General Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for General Contractor and subcontractors. Each General Contractor and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement. The Developer is responsible for ensuring that each General Contractor and subcontractor has named the City as an additional insured where required, as well as specifically naming the City as an additional insured on any endorsement form at least as broad and acceptable to the City. The Developer is also responsible for ensuring that each General Contractor and subcontractor has complied with the required coverage and terms and conditions outlined in this subsection (d), Other Requirements. When requested by the City, the Developer must provide to the City Certificate of Insurance and additional insured endorsements or other evidence of insurance. The City reserves the right to obtain complete, certified copies of any required insurance policies at any time. Failure of the General Contractor and subcontractors to comply with required coverage and terms and conditions outlined herein will not limit Developer's liability or responsibility.

City's Right to Modify. Notwithstanding any provisions in this Agreement to the contrary, the City, Department of Finance, Risk Management Division maintains the right to modify, delete, alter or change these requirements.

SECTION 13. INDEMNIFICATION

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

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

(ii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate of Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02 Inspection Rights. Upon three (3) business days' notice, Developer shall permit any authorized representative of the City to access to all portions of the Project and the Property during normal business hours for the Term of the Agreement. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer under this Agreement:

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

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

(c) any Developer Party makes or furnishes to the City 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 under this Agreement, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and Permitted Mortgages, 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 any Developer Party or for the liquidation or reorganization of any Developer Party, or alleging that any Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of any Developer Party's debts, whether under the United States Bankruptcy Code or under any

other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving any Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

(g) any judgment or order is entered against any Developer Party and remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of any Developer Party;

(j) a criminal proceeding (other than a misdemeanor) is instituted in any court against any Developer Party or any natural person who owns a material interest in such Developer Party and is not dismissed within thirty (30) days, or any Developer Party or any natural person who owns a material interest in such Developer Party is indicted for any crime (other than a misdemeanor);

(k) before the expiration of the Term of the Agreement, except as further listed below and for the collateral assignment of the general partner interest in the Owner to a lender providing Lender Financing and the replacement of the Owner's general partner by the Investor Limited Partner in accordance with the Owner's partnership agreement, a majority of the ownership interests of Developer are sold or transferred without the prior written consent of the City, except for transfers of limited partner interests in the Owner and transfers of interests in the limited partner of Owner in accordance with the terms of Owner's partnership agreement, and removal of the general partner of Owner and replacement with an affiliate of Owner's limited partner, in accordance with the terms of Owner's partnership agreement;

(l) any Developer Party or any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to any Developer Party fails to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer; or

(m) failure to provide the City with an Annual Compliance Report within sixty (60) days of when it is due, as set forth in Section 8.20.

(n) Developer fails to secure the Certificate by the date that is 30 months after the Closing Date.

For purposes of Sections 15.01(i) and 15.01(j), a person with a material interest in any Developer Party shall be one having a direct or indirect beneficial interest (including ownership) exceeding 10% in such Developer Party. The City hereby agrees that, in addition to the cure rights set out in Section 15.03 below, any cure of any default made or tendered by one or more of Owner's limited partners or a lender providing Lender Financing shall be deemed to be a cure by the Owner and/or Developer and shall be accepted or rejected on the same basis as if made or tendered by Owner and/or Developer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and any Developer Party are or shall be parties, suspend disbursement of City Funds, and/or seek reimbursement of any City Funds paid. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, foreclosure of the Junior Mortgage, injunctive relief or the specific performance of the agreements contained in this Agreement or under the Junior Mortgage.

Upon the occurrence of an Event of Default under Section 15.01(m), Developer shall be obligated to pay to the City the amount of \$10,000 as liquidated damages, and not as a penalty, which such payment shall be required no more often than once per calendar year. Any payment of liquidated damages by Developer shall not relieve Developer of its obligation under Section 8.20.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.22, (Sustainable Development Policy), the City's remedy shall be the right to seek reimbursement of City Funds in the amount of \$250,000.

15.03 Curative Period. In the event Developer shall fail to perform a monetary 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 has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event Developer shall fail to perform a non-monetary 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 has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has started to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 Additional Notice and Cure Rights. If an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in 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 Limited Partner and any lender providing the Swap at the addresses in Section 17 and to each of the lenders providing Lender Financing whose addresses are listed

in Section 17. The Limited Partner, each lender providing Lender Financing, any lender providing the Swap and any holder of any Permitted Refinancing (each a "Right-to-Cure Party") shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, any Right-to-Cure Party may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any Right-to-Cure Party shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by any Right-to-Cure Party within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default, provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured 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 to the extent such party has the right to do so.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date of this Agreement with respect to the Property or any portion thereof that were made before or on the date of this Agreement in connection with Lender Financing or the Swap and which are Permitted Liens are referred to in this Agreement as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to in this Agreement as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof (i) as security for the Senior Permanent Loan or a Permitted Refinancing or (ii) with the prior written consent of the City is referred to in this Agreement as a "Permitted Mortgage." The City and Developer agree as follows:

(a) If a mortgagee or any other party shall succeed to Owner's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) If any mortgagee shall succeed to Owner's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest under this Agreement in accordance with Section 18.14

(Assignment), the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" under this Agreement; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default or indemnification obligation of Developer which accrued before such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest under this Agreement, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) During the Term of the Agreement, Developer shall not execute a New Mortgage, other than a Permitted Mortgage, with respect to the Property or any portion of the Property without the prior written consent of the Commissioner.

SECTION 17. NOTICE

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

If to the City: City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner		If to Developer: Homan Square Apartments Phase IV Holder, LP c/o IFF 333 South Wabash Avenue, Suite 2800 Chicago, Illinois 60664 Attention: Eden Hurd-Smith Foundation for Homan Square 906 South Homan Avenue Chicago, Illinois 60624 Attention: Executive Director
With Copies To: City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division		With Copies To: Husch Blackwell LLP 8001 Forsyth Boulevard, Suite 1500 St. Louis, Missouri 63105 Attention: Joseph Bredehoff

	<u>Lender</u> Cedar Rapids Bank and Trust Company 500 First Avenue NE Cedar Rapids, Iowa 52401 Attention: Brad Curtin <u>Investor Limited Partner</u> Red Stone Equity Holding, LLC c/o Red Stone Equity Partners, LLC 90 Park Avenue, 28th Floor New York, NY 10016 Attention: Chief Executive Officer & Director/Senior Vice President, Legal With copies to: Applegate & Thorne-Thomsen, P.C. 425 S. Financial Place, Suite 1900 Chicago, IL 60605 Attention: Bennett P. Applegate
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Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

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

Project, or both, or increases any time agreed for performance by Developer by more than ninety (90) days. Any extension to the time agreed for performance by Developer granted under this Section 18.01 is in addition to any extension granted via a Change Order in accordance with Section 3.04.

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

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to 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 Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

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

18.06 Remedies Cumulative. The remedies of a party under this Agreement are cumulative and the exercise of any one or more of the remedies provided for in this Agreement shall not be construed as a waiver of any other remedies of such party unless specifically so provided in this Agreement.

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 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.

18.09 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 in this Agreement and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinance(s) shall prevail and control.

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

18.14 Assignment. 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. The City hereby consents to the execution and delivery of a Collateral Assignment in favor of a lender holding Lender Financing. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, as described in Section 7.02 (Effect of Issuance of Certificate; Continuing Obligations), for the Term of the Agreement. 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 Developer, the City and their respective successors and permitted assigns (as provided in this Agreement) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided in this Agreement). Except as otherwise provided in this Agreement, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations under this Agreement. The individual or entity relying on this Section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this Section with respect to any such delay may rely on this Section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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 in this Agreement.

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

18.19 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.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

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

HOMAN SQUARE APARTMENTS PHASE IV HOLDER, LP,
an Illinois limited partnership

By: Homan Square Apartments Phase IV, LLC,
an Illinois limited liability company,
its general partner

By: Homan Phase IV Manager, LLC,
an Illinois limited liability company,
its manager

By: Foundation for Homan Square,
an Illinois not-for-profit corporation,
its manager

By: _____

Name: _____

Its: _____

FOUNDATION FOR HOMAN SQUARE,
an Illinois not-for-profit corporation

By: _____

Name: _____

Its: _____

CITY OF CHICAGO

By: _____

Name: _____

Commissioner of Planning and Development

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, _____ a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____ (the "Representative"), personally known to me to be the [manager] of [DEVELOPER], an Illinois limited liability company ("Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that the Representative signed, sealed, and delivered said instrument, pursuant to the authority given to the Representative by Developer, as the Representative's free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

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

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the Commissioner of Planning and Development (the "Commissioner") of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that the Commissioner signed, sealed, and delivered said instrument, pursuant to the authority given to the Commissioner by City, as the Commissioner's free and voluntary act and as the free and voluntary act of City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____th day of _____.

Notary Public

My Commission Expires _____

Exhibit A

Legal Description of the Property

[Subject to Survey and Title Insurance]

Property Address:

3607, 3621, and 3645 West Polk Street, 906 and 908 South Central Park Avenue, and 921 South Lawndale Avenue in Chicago, Illinois

Property identification numbers (PINs):

16-14-316-034-0000 3607 W Polk St
16-14-316-033-0000 3621 W Polk St
16-14-316-032-0000 3645 W Polk St
16-14-322-013-0000 906 S Central Park Ave
16-14-322-014-0000 908 S Central Park Ave
16-14-322-015-0000 921 S Lawndale Ave

Legal Description:

LOTS 1, 2, 3 AND 4 IN SECTION ONE AND LOTS 1, 2, 3 AND 4 IN SECTION TWO, IN HOMAN SQUARE PHASE FOUR SECTION ONE AND TWO, BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 9, 1998 AS DOCUMENT NUMBER 98804192, AS AMENDED BY CERTIFICATE OF CORRECTION RECORDED OCTOBER 2, 1998 AS DOCUMENT NUMBER 98885813, IN COOK COUNTY, ILLINOIS.

Exhibit B

Project Budgets (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)¹

PROJECT BUDGET*		
	Building Cost	\$4,360,000
	Land Cost	\$1,140,000
	Other Acquisition	\$34,500
Acquisition Costs Subtotal		\$5,534,500
	Net Construction Costs	\$15,523,266
	General Conditions	\$749,774
	Overhead	\$310,465
	Profit	\$870,855
Construction Costs Subtotal		\$17,454,360
	Furniture, Fixtures, & Equipment	\$400,000
	Building Permits	\$110,000
	GC Insurance	\$174,540
	Contingency	\$1,762,890
Other Construction Subtotal		\$2,447,430
	Architect - Design	\$384,350
	Architect - Supervision	\$139,380
	PNA Report	\$43,064
	Permit Expediter	\$45,000
	As-Is Plats & Surveys	\$47,342
	Accountant -- General	\$35,000
	Legal - Organizational	\$110,000
	Consultant - Financial	\$150,000
	Appraisal	\$20,500
	Market Study	\$6,950
	Phase I Environ. Report	\$39,800
	Title & Recording Fees	\$50,000
	Other Professional Fees	\$111,350
Professional Fees Subtotal		\$1,182,736
	Tax Credit Issuer Fees	\$70,229
	Application Fees	\$1,500
	Construction Points	\$133,211
	Perm Loan Points	\$10,000
	Construction Inspection	\$40,000
	Lender Legal Fees	\$85,000
	Bond -- Rating Agency	\$5,000
	Bond -- Trustee	\$10,500
	Bond -- Bond Counsel	\$100,000
	Bond -- Other	\$361,574

¹ The MBE/WBE budget is an estimate calculated as of the Closing Date. The final amounts will be based on the final hard construction costs of the Project.

	Construction Interest	\$1,303,594
	Other Lender Fees	\$17,000
Lender Fees Subtotal		\$2,137,608
	Liability Insurance	\$25,000
	Hazard Insurance	\$75,000
Construction Period Subtotal		\$100,000
	Other Marketing & Leasing	\$10,000
Marketing & Leasing Subtotal		\$10,000
	Other Tenant Relocation	\$722,041
Tenant Relocation Subtotal		\$722,041
	Developer Fee	\$1,775,546
Developer Fee Subtotal		\$1,775,546
	Insurance Reserve	\$157,500
	Property Tax Reserve	\$41,250
	Operating Reserve	\$685,704
	Replacement Reserve	\$37,800
Reserves Subtotal		\$922,254
Grand Total Dev Costs		\$32,286,475

*With the exception of Land, Project Budget amounts above are based on 107 affordable units

TIF-FUNDED IMPROVEMENTS**	
Category	TIF Eligible Cost
Affordable Housing Unit Rehabilitation Hard Costs	\$17,454,360
Eligible Soft Costs (Constr. Related)	
Architect-Design	\$384,350
Architect-Supervision	\$139,380
TOTAL	\$17,978,090***

**Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

***Notwithstanding the total amount of TIF-eligible costs, and subject to the budget containing sufficient TIF-eligible costs, the City's TIF assistance for the Project shall not exceed \$9,979,778.

MBE/WBE BUDGET	
Project Hard Costs	\$17,454,360
Project MBE/WBE Total Budgets	\$17,454,360
Project MBE Total at 26%	\$4,538,134
Project WBE Total at 6%	\$1,047,262

Exhibit C

List of Prior Expenditures

[not attached for introduction]

Exhibit F

Property

[Subject to Survey and Title Insurance]

Property Address:

3645, 3621 and 3607 West Polk Street, 908 and 906 South Central Park Avenue and 921 South Lawndale Avenue, Chicago, Illinois

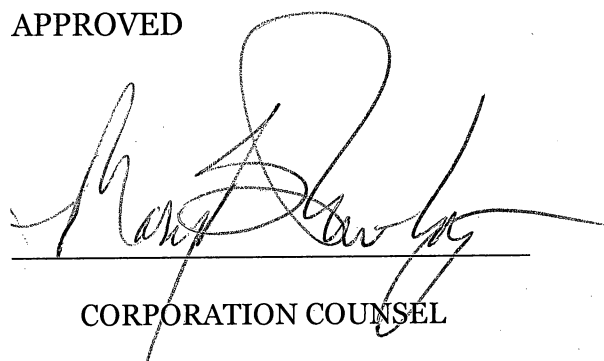
Property identification numbers (PINs):

16-14-316-034-0000	3607 W Polk St
16-14-316-033-0000	3621 W Polk St
16-14-316-032-0000	3645 W Polk St
16-14-322-013-0000	906 S Central Park Ave
16-14-322-014-0000	908 S Central Park Ave
16-14-322-015-0000	921 S Lawndale Ave

Legal Description:

LOTS 1, 2, 3 AND 4 IN SECTION ONE AND LOTS 1, 2, 3 AND 4 IN SECTION TWO, IN HOMAN SQUARE PHASE FOUR SECTION ONE AND TWO, BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 9, 1998 AS DOCUMENT NUMBER 98804192, AS AMENDED BY CERTIFICATE OF CORRECTION RECORDED OCTOBER 2, 1998 AS DOCUMENT NUMBER 98885813, IN COOK COUNTY, ILLINOIS.

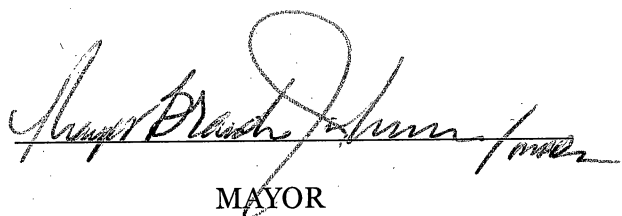
APPROVED



CORPORATION COUNSEL

DATED: 10.23.25

APPROVED



MAYOR

DATED: 10.23.25