

ORDINANCE EXHIBIT D
(Redevelopment Agreement)

This agreement was prepared by and
after recording return to:
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1539 N Pulaski Road HHDC Redevelopment Agreement

This 1539 N. Pulaski Road HHDC 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"), 1539 N. Pulaski Road HHDC, LP, an Illinois limited partnership ("Owner"), and 1539 N. Pulaski Road Charitable Corporation, an Illinois not-for-profit corporation ("1539 Charitable Corporation," and together with Owner, the "Developer"), and Hispanic Housing Development Corporation, an Illinois not for profit corporation ("HHDC").

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 Pulaski Corridor 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 (3), the "TIF Adoption Ordinance" and items (1) – (3) collectively the "Original TIF Ordinances) adopted on January 26, 1999 and published in the Journal of the Proceedings of the City Council (the "Journal") for such date at pages 3704-3885; which Original TIF Ordinances were amended on October 3, 2012 and published in the Journal for such date at pages 33746-33748, and were further amended on July 30, 2014 and published in the Journal for such date at pages 84883-84886, and were further

amended on December 14, 2022 and published in the Journal for such date at pages 57602-57733 (as amended by such amending ordinances, collectively the "TIF Ordinances").

D. The Project: The Owner owns certain property located within the Redevelopment Area at 1539 North Pulaski Road, Chicago, Illinois 60651 and legally described on Exhibit A (the "Property"), and, within the time frames set forth in Section 3.01, the Developer shall redevelop the Property into an approximately 63,370 square foot residential development consisting of adaptive re-use of a vacant historic property and attached new construction, providing 61 total units, of which there will be fifty-eight (58) one-bedroom rental units, two (2) two-bedroom rental units and one (1) two-bedroom manager's unit, and supportive services (the "Facility") thereon. The 60 rental units will be leased to low-income and very low-income elderly persons (defined as a household composed of one or more persons at least one of whom is 62 years of age or more at time of initial occupancy). The "Project" means the Facility and related improvements, including but not limited to the Landmark Project (as defined below) and 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: Developer will carry out the Project in accordance with this Agreement and the Redevelopment Plan.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03, 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.

G. Adopt-a-Landmark Funds:

- (i) Section 17-4-1000 of the Chicago Zoning Ordinance (the "Downtown Bonus Ordinance") authorizes the City to award floor area bonuses to projects located in "D" districts in return for a financial contribution to the City ("Bonus Payment").
- (ii) The Bonus Payment is deposited into three funds: (i) the Neighborhood Opportunity Fund, (ii) the Citywide Adopt-a-Landmark Fund (which receives 10% of each Bonus Payment), and (iii) the Local Impact Fund.
- (iii) The purpose of the Citywide Adopt-a-Landmark Fund is to finance landmark restoration projects.
- (iv) Pursuant to Section 17-4-1006-C-4 of the Chicago Zoning Ordinance, DPD developed a list of funding priorities for the award of grants under the Citywide Adopt-a-Landmark Fund ("Funding Priorities").
- (v) On May 17, 2023, DPD announced that it was accepting applications for landmark restoration projects.

- (vi) DPD received seventeen (31) applications, including an application submitted by HHDC for significant exterior masonry and storefront work to the Pioneer Arcade Building located on the Property;
- (vii) DPD evaluated the applications based on the Funding Priorities, and determined that HHDC's application was one of the applications that best satisfied the Funding Priorities.
- (viii) By ordinance adopted on March 15, 2023, the City Council designated the building located on the Property, and commonly known as the Pioneer Arcade Building, a Chicago Landmark (the "Landmark Building").
- (ix) The Landmark Building requires certain preservation work, as described in the scope of work ("Landmark Project Scope of Work") and budget ("Landmark Project Budget") attached hereto as Exhibit C-2 (such work, the "Landmark Project").
- (x) On August 7, 2025, the Commission on Chicago Landmarks approved the Landmark Project subject to the "Conditions of Approval" attached hereto as part of Exhibit D, and recommended the use of City AAL Funds for the Landmark Project (the "Project Resolution").
- (xi) The Landmark Project satisfies the requirements of Sec. 17-4-1006-C of the Chicago Zoning Ordinance with respect to authorized uses of the Citywide Adopt-a-Landmark Fund.
- (xii) DPD wishes to award HHDC a grant of City AAL Funds in the amount of \$510,000 to undertake the Landmark Project.
- (xiii) HHDC desires to accept the City AAL Funds and perform the Landmark Project in accordance with this Agreement.

H. HUD Financing and Restrictions. HHDC was awarded a Six Million Dollar (\$6,000,000) capital advance award agreement (the "Capital Advance") from HUD pursuant to the Section 202 Supportive Housing for the Elderly program, 12 U.S.C. Section 1701q, its implementing regulations published at 24 CFR Part 891 and all applicable HUD handbooks, notices, requirements and administrative directives (collectively, the "Section 202 Program"). With HUD's consent, HHDC has assigned its Capital Advance award agreement to its Affiliate 1539 Charitable Corporation. 1539 Charitable Corporation will cause the Capital Advance proceeds to be contributed to the Owner through a general partner capital contribution. In exchange for its receipt of the Capital Advance, the Owner will execute and record certain Section 202 Program liens and encumbrances against the Property, including a Capital Advance Mixed Finance Program Use Agreement (HUD 90163.1-CA), a Capital Advance Program Mixed-Finance Regulatory Agreement (HUD 92466.1-CA) and a HUD Capital Advance Program Mortgage (HUD 90165-CA) (the foregoing Use Agreement and Regulatory Agreement are collectively, the "HUD Restrictions"). In accordance with the Section 202 Program and the HUD Capital Advance Program Mortgage (the "HUD Mortgage"), this Agreement will be subordinate in all respects to the HUD Mortgage and HUD Restrictions, all as set forth in greater detail in the

HUD Rider attached to this Agreement as Exhibit E and incorporated into this Agreement as provided in Section 18.21.

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.

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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.

"Adopt-a-Landmark Eligible Costs" shall mean those improvements of the Project which (i) qualify as eligible expenses under Section 17-4-1006-C of the Municipal Code, and (ii) the City has agreed to pay for out of the City AAL Funds, subject to the terms of this Agreement. Exhibit C-2 lists the Adopt-a-Landmark Eligible Costs for the Project.

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

"Annual Compliance Report" means a signed report from Developer 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) compliance with the Jobs Creation report (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence of compliance with the Sustainable Development Policy (Section 8.22); (7) compliance with the Increment and Rate of Return Reporting (Section 8.25); and (8) 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, (iv) the undisbursed City AAL Funds, (v) the undisbursed ComEd funds identified in Section 4.01, and (vi) any other amounts deposited by Developer pursuant to this Agreement.

"Bonus Payment" is defined in the Recitals.

"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.

"City AAL Funds" shall mean the grant of \$510,000 in Adopt-a-Landmark funds from the City for the Project, subject to the conditions described in Section 4.09 hereof.

"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.

"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 Developer and the General Contractor providing for construction of the Project.

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

"CSI/ROR" shall mean the Comprehensive Site Investigation and Remediation Objectives Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"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.

"Downtown Bonus Ordinance" is defined in the Recitals.

"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 Law(s)" 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 ("RCRA"), 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.* ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); 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 ("MWRD"); 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) 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 Construction Loan Disbursement 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 Developer's lender(s), in a form acceptable to the City.

"Event of Default" is defined in Section 15.

"Existing Mortgage" is defined in Article 16.

"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.

"Funding Priorities" is defined in the Recitals.

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

"Hazardous Building Material Survey" shall include (but is not limited to) asbestos and lead-based paint survey, visually inspecting the Site to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids), mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges), radioactive material-containing equipment and/or waste, medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes), refrigerants such as chlorofluorocarbons (CFCs), large appliances or equipment, mold, or any other materials that may require special handling or disposal during or after demolition.

"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.

"HUD" means the United States Department of Housing and Urban Development.

"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 by the Treasurer 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.

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

"Junior Mortgage" shall mean a Junior Mortgage executed by the Developer as mortgagor, in favor of the City, as mortgagee, securing certain of the Developer's obligations under this Agreement and the Junior Mortgage; and which shall be a second mortgage except where, as here, the Lender Financing includes two separate prior mortgage loans, in which event the Junior Mortgage shall be a third mortgage.

"Landmark Building" is defined in the Recitals.

"Landmark Project" is defined in the Recitals.

"Landmark Project Budget" is defined in the Recitals.

"Landmark Project Scope of Work" is defined in the Recitals.

"Lender" means Associated Bank, N.A. and such other lenders as are acceptable to the City.

"Lender Financing" means (i) funds borrowed by Owner from lenders, and (2) such other funds and funders specifically identified in Section 4.01 of this Agreement as part of Lender Financing, all of which shall be irrevocably available to pay for costs of the Project, in the amount set forth in Section 4.01.

"Limited Partner" means NEF Assignment Corporation, an Illinois not for profit corporation, as nominee, 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 Closing.

"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.

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

"New Mortgage" is defined in Article 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, (ii) leases of portions of the Property entered into after the date hereof in Developer's ordinary course of business, if any, and (iii) 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 Mortgage" is defined in Article 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 Resolution" is defined in the Recitals.

"Property" is defined in the Recitals.

"RACR" shall mean the Remedial Action Completion Report required by the IEPA in order to receive a no further remediation letter under the Site Remediation Program.

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a final no further remediation letter.

"RAP Approval Letter" shall mean written approval from the IEPA of the RAP. The Parties agree that a single RAP Approval Letter may cover more than one parcel or portions thereof.

"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 Owner's obligation to provide affordable housing at the Facility, executed by Owner 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 [No Further Remediation Letter] [Final Comprehensive Residential NFR Letter] in accordance with: the terms and conditions of the RAP Approval Letter issued by the Illinois Environmental Protection Agency ("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 and/or Section 4.09.

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

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

"SRP Documents" means all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the CSI ROR, RAP and RACR and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

"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.

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

"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 the Incremental Taxes will be deposited.

"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 issued by the Title Company 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, if any, 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, but excluding the HUD Mortgage (identified in the Recitals).

"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, Developer 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 24 months after the Closing Date, or such later time as may be permitted by HUD.

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, including the Section 202 Program requirements. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than [\$36,169,434]. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct, and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04.

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, Developer shall not be required to comply with the change order provisions contained in the City's 2023 Architectural Technical Standards Manual. 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). Developer shall not start construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to the City's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's bonding as required under this Agreement.

3.07 Progress Reports and Survey Updates. If requested by DPD, Developer 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 of six months or more 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. Developer 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 Developer's architect) shall be selected to act as the inspecting agent or architect, at Developer'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 Developer 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, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances, and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades.

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

3.11 Utility Connections. Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided 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, Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The 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 (subject to Sections 4.03(b) and 4.06)	\$16,188,070
Lender Financing*	\$ _____
City Funds (subject to Section 4.03)**	\$13,244,690
City Adopt-a-Landmark Funds***	\$510,000
Other (HUD, ComEd)****	\$6,206,474
General Partner Capital Contribution	\$10,100
Estimated Total	\$36,169,434

*the Lender Financing includes two construction loans that will be made by Associated Bank to the Owner; specifically a construction equity bridge loan in the maximum amount of \$11,491,089 to bridge a portion of the Equity that will be received post construction completion, and a construction TIF bridge loan in the maximum amount of \$11,920,221 to bridge 1539 Charitable Corporation's receipt of the City Funds. These Associated Bank loans are not listed as part of the Lender Financing designated in this Section 4.01 in order to avoid partially double-counting the Equity and City Funds in the Estimated Total shown above. However, Associated Bank is considered a lender providing Lender Financing for all purposes of this Agreement as a result of these two loans.

**1539 Charitable Corporation, in its sole discretion, will either (i) loan the City Funds to the Owner, or (ii) cause the City Funds to be contributed to the Owner through a general partner capital contribution, or (iii) a combination of the foregoing. 1539 Charitable Corporation shall not be considered a lender and any loan or general partner capital contribution of the City Funds shall not be considered part of the Lender Financing.

***HHDC will receive the City Adopt-A-Landmark Funds pursuant to this Agreement. HHDC, in its sole discretion, will loan the Adopt-A-Landmark Funds to the Owner. However, HHDC shall not be considered a lender and any loans of the City Adopt-A-Landmark Funds shall not be considered Lender Financing for purposes of this Agreement.

****This Other category includes two sources of funds: (1) a \$6,000,000 Capital Advance from HUD that will be made to 1539 Charitable Corporation, which is an Affiliate of HHDC; and (2) a

\$206,474 grant from Commonwealth Edison Company ("ComEd") to HHDC. With respect to the Capital Advance, 1539 Charitable Corporation will execute a promissory note in favor of HUD, and will cause the Capital Advance proceeds to be delivered to the Owner through a series of general partner capital contributions. To secure repayment obligations arising under this promissory note, the Owner will grant the HUD Mortgage (as identified in the Recitals) in favor of HUD. HUD shall be considered a lender and the Capital Advance shall be part of the Lender Financing for purposes of this Agreement. In addition, HHDC will loan the ComEd grant funds it receives to the Owner. HHDC shall not be considered a lender and any loan of the ComEd funds shall not be considered part of the Lender Financing for purposes of this Agreement.

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, Lender Financing and the HHDC loans of the ComEd funds and of the City Adopt-A-Landmark Funds 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>Maximum Amount</u>
Incremental Taxes	\$13,244,690

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$13,244,690 or [36.6%] of the actual total Project costs; and provided further, that the City Funds to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such cost.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$13,244,690 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. If such conditions are not fulfilled, the amount of Equity to be contributed by Developer 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) \$3,973,407 upon the completion of 30% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation;

(ii) \$3,973,407 upon the completion of 60% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation;

(iii) \$3,973,407 upon the completion of 90% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and

(iv) \$1,324,469 upon issuance of Certificate.

4.04 Requisition Form. On the Closing Date and before each October 1 (or such other date as the parties may agree) thereafter, beginning after the Certificate is issued and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form for reimbursement of TIF-Funded Improvements, along with the documentation described in the Requisition Form. Developer shall not submit a Requisition Form for City Funds except in accordance with the installment schedule set forth in Section 4.03(c) (or as otherwise permitted by DPD). 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.

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-1.]

(b) TIF District Administration Fee. Annually, the City may allocate 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.

(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 hereof or if the aggregate cost of the Adopt-a-Landmark Eligible Costs exceeds the City AAL Funds available pursuant to Section 4.09 hereof, or if the cost of completing the Project exceeds the Project Budget, Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project. Notwithstanding the foregoing and prior to having to provide funds to pay such excess costs, the Developer may satisfy in whole or part its obligation to pay the Cost Overruns with proceeds of Equity, Lender Financing and the other funding sources identified in Section 4.01 hereof.

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, the Conditions of Approval, 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.

4.09 City AAL Funds.

Subject to the conditions described in this Section 4.09, the City shall pay City AAL Funds to HHDC as follows:

(a) HHDC shall submit to DPD documentation regarding the applicable expenditures for which HHDC seeks reimbursement on behalf of the Owner, including a Requisition Form which shall be satisfactory to DPD in its sole discretion (the Requisition Form shall be submitted not more frequently than in accordance with the installment schedule set forth in Section 4.09(c);

(b) Delivery by HHDC to DPD of a Requisition Form for City AAL Funds shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such Requisition Form, that the conditions described in Section 4.07 have been satisfied; and

(c) The Requisition Form for City AAL Funds shall not exceed \$510,000 or such lesser amount of Adopt-a-Landmark Eligible Costs incurred and paid as of the date of the related Requisition Form. HHDC shall be entitled to receive reimbursement payments of (i) up to \$169,983 each upon the completion of 22.8 percent, and [51.3] percent of the Landmark Project, as measured by total project cost; and (ii) up to \$170,034 upon issuance of completion of construction.

4.10 Non-Recourse. Notwithstanding any provision in this Agreement to the contrary, upon the occurrence of an Event of Default that remains in effect after the expiration of all applicable notice and cure periods, the Owner's obligation to repay or reimburse the City for the City Funds is a non-recourse obligation of the Owner, and shall be paid exclusively from available insurance proceeds or Residual Receipts (as defined in the HUD Regulatory Agreement referenced in the Recitals). With the exception of the Junior Mortgage, the City shall not have or assert any claim, lien or interest in or against the assets or income of the Project without the prior written approval of HUD, which approval HUD may withhold in its sole discretion. The Junior Mortgage is subordinate to the HUD Mortgage (referenced in the Recitals), and the City may not seek to foreclose its Junior Mortgage lien without the prior written approval of HUD, which approval HUD may withhold in its sole discretion.

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. Developer 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. Developer has furnished proof reasonably acceptable to the City that Developer has Equity, Lender Financing and other sources 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, other than the lien of the HUD Mortgage, 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 Developer'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, if any, 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, survey, encroachment and damages for mineral production. Owner 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. Developer has furnished the City with a copy of the Survey.

5.08 Insurance. Developer, 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 has provided or will provide Financial Statements to DPD for its most recent fiscal year in which it has reportable financial activity 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 or certificate of limited partnership 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, operating agreement or amended and restated limited partnership 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 Junior Mortgage. The Developer must have delivered to the City the Junior Mortgage, Regulatory Agreement, if any, 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 Developer has selected Leopardo Construction, Inc. as its general contractor (the "General Contractor") for the Project. Developer 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.

Notwithstanding the foregoing, the City acknowledges that (1) HUD has approved the General Contractor in accordance with the Section 202 Program requirements, and (2) HUD's approval of the General Contractor shall be binding on the City for purposes of this section.

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, HUD forms 92452M (6/18) and 92452A-M (6/18) or their equivalents. 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. Subject to HUD's approval of the surety and its consent, the City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10; 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 will not pay out the fourth installment of the City Funds in connection with the Project per Section 4.01(c)(iv), until the following conditions have been met:

- (a) Evidence acceptable to DPD that the Total Project Cost will equal or exceed \$36,169,434; as described in Section 4.03(b), the City Funds will be reduced on a dollar-for-dollar basis if the Total Project Cost is less than this amount; and
- (b) 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 (up to \$13,244,690); and
- (c) 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

- (d) 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
- (e) Evidence that Developer has incurred Adopt-a-Landmark Eligible Costs in an amount equal to, or greater than, \$510,100; and
- (f) 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
- (g) Evidence acceptable to DPD that the Project has complied with the Sustainable Development Policy as outlined in Section 8.22; and
- (h) 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.

Notwithstanding the foregoing, a determination by HUD that construction has been completed as evidenced by its issuance to the Owner of HUD's Permission to Occupy the Project shall be binding on the City as to its determination that construction completion has occurred.

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;

(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, Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from Developer, subject to Section 4.10.

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 Developer under this Agreement are material conditions precedent to the City's obligations under this Agreement. Developer 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) Owner is an Illinois limited partnership, and 1539 Charitable Corporation is an Illinois not-for-profit corporation, and each is duly incorporated, formed or organized, validly existing, qualified to do business in its respective state of incorporation, formation 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 has the right, power and authority to enter into, execute, deliver and perform its respective duties under this Agreement;

(c) the execution, delivery and performance by each Developer of this Agreement has been duly authorized by all necessary limited partnership or corporate actions, and does not and will not violate the Owner's certificate of limited partnership or amended and restated partnership agreement or 1539 Charitable Corporation's articles of incorporation or bylaws, each 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 such Developer is now a party or by which such Developer 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, Lender Financing and other funding as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15)

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

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

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

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

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

(j) prior to the issuance of the Certificate of Completion, Developer shall not do any of the following without the prior written consent of DPD, which shall not be unreasonably withheld, conditioned or delayed: (1) be a party to any merger, liquidation or consolidation (provided that the foregoing shall not limit any sale or transfer of any interests in the Limited Partner); (2) except for Permitted Liens and collateral assignments to obtain Equity, 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 each Developer's respective business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (other than in connection with the Equity for the Project) or in the ordinary course of developing, owning, managing and operating affordable housing (including those developed through the federal low income housing tax credit) or community economic development projects (including those developed through the new markets tax credits or comparable incentive program); or (5) enter into any transaction that would cause a material and detrimental change to such Developer's financial condition;

(k) Developer 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 and other funding disclosed in the Project Budget; and

(l) Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an

inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156-120 of the Municipal Code;

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

(n) Developer 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) Developer 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) Intentionally omitted;

(q) Developer understands 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 applicable material terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

8.04 Use of City Funds. City Funds disbursed to 1539 Charitable Corporation and loaned or contributed to the Owner 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. City AAL Funds disbursed to HHDC and loaned to the Owner shall be used by the Developer solely to pay for (or to reimburse the Owner for its payment for) Adopt-a-Landmark Eligible Costs 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 and shall not result in any lien, encumbrance upon or claim against the Project. Upon HUD's written consent, 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. The Developer anticipates that the Project will result, through the General Contractor, in the creation of 50 temporary FTE construction jobs within [15] months of the commencement of construction. 1539 Charitable Corporation or its Affiliate HHDC anticipates that the Project will result in the creation of three (3) FTE permanent jobs within [one (1)] year of completion of the Project, for a total of 3 FTE permanent jobs aspired to be retained or created by Developer at the Facilities through the Term of the Agreement. Throughout the Term of the Agreement, the Developer agrees to report the number of jobs, whether FTE or otherwise, to date created by the Project to DPD and DOH as part of the Developer's submission of the Annual Compliance Report. 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 expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, how Developer shall correct, or cause its General Contractor to correct, any shortfall.

8.08 Employment Profile. Developer 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 in which it has reportable financial activities 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, Lender Financing and other funding shown in the Project Budget, 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 reasonably 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 arising under this Agreement. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to perform its obligations under this Agreement.

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. Developer 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, if any, to be recorded and filed, at Developer's expense, against the Property on the date hereof in the Cook County Clerk's Office.

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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes, if any, must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying, or extending 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,

(i) 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

(ii) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall reasonably 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. The City acknowledges that the Owner will file a charitable property tax exemption application for the Property in accordance with the Section 202 Program requirements, 35 ILCS Section 200/15-65 and 86 Ill. Admin. Code Part 110.116. Owner's failure to secure a charitable property tax exemption shall not be an Event of Default.

(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, Developer 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 reduce the City Funds by up to \$250,000 as described in 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 two (2) business days 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 [Intentionally omitted]

8.26 Affordable Housing Covenant. As used in this Section 8.26 and other affordable housing covenant provisions in this Agreement, the following terms have the following meanings: (i) **"Family"** shall mean one or more individuals, whether or not related by blood or marriage; (ii) **"Very Low-Income Families"** shall mean Families whose annual income does not exceed fifty percent (50%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter, such income limits shall apply to this definition; and (iii) **"60% Families"** shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter, such income limits shall apply to this definition

(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 containing sixty-one (61) units of residential housing, of which sixty (60) units shall be available for rental.

All of the units in the Facility shall be available for occupancy to and be occupied solely by one or more Families qualifying as 60% Families upon initial occupancy, provided that one unit shall be designated and maintained as a non-rental resident manager's unit and provided further that, of the sixty-one (61) units in the Facility, fifty-eight (58) one-bedroom units shall be available for occupancy to and shall be occupied by Very-Low Income Families in accordance with the Section 202 Program requirements, and two (2) two-bedroom units shall be available for occupancy to and shall be occupied by 60% Families in accordance with Section 42 of the Internal Revenue Code of 1986, as amended.

Each rental unit in the Facility shall have monthly rent not in excess of either (i) 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) for the two (2) bedroom units, and (ii) thirty percent (30%) of the maximum allowable income for a Very Low Income Family (in accordance with the Section 202 Program requirements); 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 and subject to any applicable Section 202 Program requirements, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(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.

8.27 Prohibited Uses. The Developer throughout the Term shall only use the Property as elderly supportive housing as contemplated by this Agreement. The following Project uses shall be prohibited:

- (a) Adult oriented businesses
- (b) Strip clubs
- (c) Astrology, card-reading, palm-reading or fortune telling businesses
- (d) Currency exchanges
- (e) Houses of worship
- (f) Inter-track wagering facilities
- (g) Laundromats
- (h) Pawn shops
- (i) Pay day loan stores/predatory lenders
- (j) Tattoo parlors

- (k) Bingo parlors
- (l) Game rooms or arcades
- (m) Night clubs or discotheques
- (n) Flea markets
- (o) Junkyard or recycling center
- (p) Automobile, truck, motorcycle, trailer or recreational vehicle sale, display, or repair
- (q) Mortuaries or funeral homes
- (r) Second hand stores or thrift shops
- (s) Liquidators
- (t) Beauty shops, beauty supply stores, barber shops, nail salons
- (u) Taverns
- (v) Package liquor stores
- (w) Gasoline service station
- (x) Discounters occupying less than 25,000 square feet
- (y) General merchandise discounters whose goods generally have price points that range from under one dollar to ten dollars including by way of example but not by limitation Family Dollar, Dollar Tree and Dollar General.

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory

manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible and to the extent permitted by law, 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. Notwithstanding the foregoing, the Developer's efforts to comply with Section 3 Employment Opportunities for Low- and Very-Low Income Persons, 12 U.S.C. 1701u and its implementing regulations at 24 CFR Part 75 in accordance with the Section 202 Program requirements shall be deemed to satisfy this provision.

(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. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (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, Developer, its General Contractor and each

subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code 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.

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

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner 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.

Developer, 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. Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

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

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and

correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer 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 Developer must surrender damages as provided in this paragraph.

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

Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (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 Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one

or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

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

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

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

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

this Agreement, the City may: (1) issue a written demand to 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.

Notwithstanding the provisions set forth in this Section, in the event HUD exercises its rights to undertake completion of the Project as assignee of the Developer, or as attorney-in-fact of the Developer, the requirements set forth in this Section shall not apply to HUD. In all other circumstances, the Developer, its various contractors, subcontractors and any Affiliate of the Developer operating the Property shall be obligated to comply with all of the requirements of this Section. In case of a conflict or ambiguity between this Agreement and the HUD Core Construction Contract, as defined below regarding the applicability of this Section, the Core Construction Contract shall control. The "Core Construction Contract" means (a) the Construction Contract, Lump Sum (HUD 92442-CA), (b) Construction Contract Incentive Payment (HUD-92443-CA), (c) Supplementary Conditions of the Contract For Construction (HUD 2554)(2/2002), (d) Index of Construction Plans and Specifications, (e) the Davis Bacon Wage Determination; and (f) Amendment to the Construction Contract to Identify Identities of Interest Between Borrower/Contractor/ Subcontractor/Architect.

SECTION 11. ENVIRONMENTAL MATTERS

Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that, upon the IEPA's issuance of the Final Comprehensive Residential NFR Letter, the Project's construction, completion and operation will occur 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.

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 Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property; notwithstanding the foregoing, the Developer shall not be required to indemnify a party against its own negligence. Further, the Developer's indemnity obligation is modified as provided in the HUD Rider.

The Developer provided the City with a Phase I ESA compliant with ASTM E-1527-21 for the Property prior to and conducted, or updated, within 180 days prior to the conveyance of the Property and a Phase II ESA.

The Phase I ESA identified Recognized Environmental Conditions ("RECs") and the Developer performed a Phase II ESA to ascertain the presence of any environmental impacts that may be associated with the RECs.

The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code ("IAC") Part 742, and HHDC previously enrolled the Property (or any portion thereof) in the IEPA SRP on July 2022 (filing no. 0316235213 – Cook County) in order to obtain a Final Comprehensive Residential NFR Letter for the enrolled Property. The Developer acknowledges and agrees that it may not commence construction on the Property or commence any other activity on the Property that could interfere with the prompt start and completion of the RAP until the IEPA issues a RAP Approval Letter for the Property. Notwithstanding the foregoing, the IEPA issued its RAP Approval Letter dated October 19, 2022.

Upon commencement of construction, the Developer covenants and agrees to promptly complete all Remediation Work necessary to obtain a Final Comprehensive Residential NFR Letter for the Property using all reasonable means. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work; the City's review and approval of the foregoing shall not be unreasonably withheld, conditioned or delayed. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property, provided that Developer may use the funding sources listed in Section 4.01 of this Agreement to pay such costs. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees to not request a certificate of occupancy for the Project from the Department of Buildings (DOB) until the IEPA has issued[, and the Developer has recorded with the Cook County Clerk's Office and the City has approved], a Final Comprehensive Residential NFR Letter for the Property (to the extent required)[, which City approval shall not be unreasonably withheld, conditioned or delayed]. If the Developer fails to obtain the Final NFR Letter within six (6) months of the submission of the RACR to the IEPA, unless the City agreed to extend such time period, then the City shall have the right to issue a notice of default of this RDA against the Property.

No City funding may be used to import bio-solids or bio-solids-based products to the Property from a wastewater treatment facility or other source.

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 Documents, or similar environmental documents relating to the Property publicly available, and Developer consents to the City's publication of those non-confidential or non-exempt documents.

The Developer shall remove any soil or soil gas not meeting the requirements of 35 IAC Section 742.305. Any underground storage tanks ("USTs") identified must be removed and closed

in accordance with applicable regulations including Title 41 of IAC Part 175 and any identified leaking USTs must be properly addressed in accordance with 35 IAC Part 734.

The Developer must abide by the terms and conditions of the Final Comprehensive Residential NFR letter and must inform any subsequent owner and tenants of the Property to abide by the terms of the Final Comprehensive Residential NFR Letter.

Developer will conduct a Hazardous Building Material Survey of the Site prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey shall include (but is not limited to):

- asbestos and lead-based paint surveys,
- testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids),
- mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges),
- radioactive material-containing equipment and/or waste,
- medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes),
- refrigerants such as chlorofluorocarbons (CFCs),
- large appliances or equipment,
- mold,
- or any other materials that may require special handling or disposal during or after renovation, demolition, or abatement work.

The Hazardous Building Material Survey must discuss each of the Hazardous Building Materials listed above and state whether or not they were identified. The Survey must document the type, location, quantity, and condition of each Hazardous Building Material that is identified.

Any Hazardous Building Materials that will be impacted by renovation or demolition activities, or are in poor or unstable condition, must be properly abated. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any renovation, demolition, or abatement work; the City's review shall not be unreasonably withheld, conditioned or delayed. Please note that abatement does not necessarily require removal and disposal of materials. Alternative methods to stabilize or prevent access to materials may be utilized if appropriate.

The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to the City prior to approval of the Property for occupancy, which approval shall not be unreasonably withheld, conditioned or delayed. If abatement work activities are not deemed sufficient by the City, the Developer shall continue such abatement work until approved and may

use available funds listed in Section 4.01 of this Agreement to pay for such additional work. Upon exhaustion of such funds, it shall pay such additional expenses from its own funds.

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.

SECTION 12. INSURANCE

Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to 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 Contractor 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 this 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 Contractor and Subcontractors. Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement. The Developer is responsible for ensuring that each 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 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 Contractors 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.

[Notwithstanding the foregoing, if the Developer purchases and maintains insurance in accordance with the HUD Section 202 Program requirements, as evidenced by HUD's Property Insurance Requirements Form 90164-CA, the Developer shall be deemed to have complied with the City's insurance requirements set forth in this Section 12; provided, however, that Developer shall cause certificates of insurance to be issued in favor of the City evidencing that the City may be an additional insured on the Owner's general liability policy and as a junior mortgagee on the Owner's property insurance policy.]

SECTION 13. INDEMNIFICATION

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

(i) 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 Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

Notwithstanding the foregoing, the only sources of payments made by the Developer upon written approval of HUD under this Section 13.01 shall be from available insurance proceeds and/or "Residual Receipts" as defined in the HUD Regulatory Agreement (identified in the Recitals) in accordance with the HUD Section 202 Program requirements and as further provided in the HUD Rider. No indemnitee shall have or assert any claim, lien or interest in or against the assets or income of this HUD Project no. 071-EE256, excluding the Junior Mortgage lien.

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 Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer 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) Developer fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement concerning the Project;

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

under this Agreement, after the expiration of all applicable notice and cure periods arising hereunder or thereunder;

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

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

(g) any judgment or order is entered against Developer 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 Developer;

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

(k) before the expiration of the Term of the Agreement, a majority of the ownership interests of Developer are sold or transferred without the prior written consent of the City (excluding a transfer of the Limited Partner interests within Owner, and the removal of Owner's general partner by the Limited Partner for cause set forth in Owner's partnership agreement and its replacement with an affiliate of the Limited Partner, for which the City's consent is not required);

(l) Developer or any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer 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.

For purposes of Sections 15.01(i) and 15.01(j), a person with a material interest in Developer shall be one having a direct or indirect beneficial interest (including ownership) exceeding 10% of Developer.

Notwithstanding the foregoing, if the Developer defaults in any specific manner described in this Section 15.01, the City shall give written notice to the Developer and an additional written notice to Lender and HUD within thirty (30) days of the occurrence of such Event of Default. The Developer and HUD shall have the right within ninety (90) days from the receipt of such notice to correct the default or Event of Default; provided however that no cure period shall apply to (i) the filing of voluntary bankruptcy or insolvency proceedings by Developer, (ii) any fraudulent or knowingly false material representation by Developer, (iii) the unauthorized transfer of a majority interest in Developer, or (iv) any Event of Default that, by its nature, cannot reasonably be cured. For purposes of this Section, the parties agree that Lender and HUD shall each be deemed a third party beneficiary.

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 Developer are or shall be parties relating to this Property and Project, may suspend disbursement of City Funds and/or seek reimbursement of any City Funds paid, as set forth in this Section 15.02 below. Any demand of the Owner for reimbursement of any City Funds previously paid is subject to Section 4.10 of this Agreement. 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 (subject to HUD's prior written consent as provided in Section 4.10 of this Agreement), 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 reduce the amount of City Funds by up to \$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 each of the lenders providing Lender Financing at the addresses in Section 17, and Limited Partner and each of such lenders 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 party entitled to cure such default 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 party entitled to cure such default 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 the Limited Partner or any lender providing Lender Financing 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 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 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 Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of 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 Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of 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 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 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: 1539 N. Pulaski Road HHDC, LP And 1539 N. Pulaski Road Charitable Corporation 325 North Wells Street, 8th Floor Chicago, IL 60654 Attention: President Attention: CFO
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: Skalitzky Law, P.C. 735 S. Elmwood Avenue Oak Park, IL 60304 Attention: Bill Skalitzky Lender: Associated Bank, N.A. Stefanie A. Bachrach Senior Vice President, Associated Community Development Commercial Real Estate 111 E. Kilbourn Ave, Suite 600 Milwaukee, WI 53202 Office: (414) 283-2372 Cell: (414) 975-1778 Stefanie.Bachrach@AssociatedBank.com With a copy to: Duane Morris, LLP 190 South LaSalle Street, Suite 3700 Chicago, IL 60603 Attn: Daniel Kohn Limited Partner NEF Assignment Corporation

	540 W Madison, Suite 1900 Chicago, IL 60661 Attention: General Counsel
If to HHDC: Hispanic Housing Development Corporation 325 North Wells Street, 8 th Floor Chicago, IL 60654 Attention: President	If to HUD: United States Department of Housing and Urban Development Legal Department – Chief Program Attorney 77 W. Jackson Boulevard, 26 th Floor Chicago, Illinois 60604 Re: HUD Project 071-EE256

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 and HUD; 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 under 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, except as provided in Section 15.01 herein and paragraph R-10 of the HUD Rider.

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; provided that Developer may pledge its interests in this Agreement to Associated Bank in connection with the 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 an Event of Default.

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 reasonable attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including 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.

18.21 Incorporation of HUD Rider. The document entitled "HUD Required Provisions Rider" attached hereto as Exhibit E (the "HUD Rider") is hereby incorporated into this Agreement as if fully set forth herein and shall remain part of this Agreement for so long as the Secretary of HUD or his/her successors or assigns are the holders of the HUD Mortgage Note (as defined in the HUD Rider) that is secured by the HUD Mortgage (as defined in the HUD Rider) recorded against the Property. Upon such time as HUD is no longer the holder of the HUD Mortgage Note, or upon repayment of the Capital Advance or the expiration of the HUD Restrictions encumbering the Property, the parties hereto agree that the HUD Rider shall no longer be a part of this Agreement.

[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.

1539 N. PULASKI ROAD HHDC, LP,
an Illinois limited partnership

By: 1539 N. Pulaski Road GP, LLC, its General Partner

By: 1539 N. Pulaski Road Charitable Corporation, its sole
member and manager

By: _____
Name: Tony Hernandez
Its: Vice President

1539 N. PULASKI ROAD CHARITABLE CORPORATION

By: _____
Name: Tony Hernandez
Its: Vice President

HISPANIC HOUSING DEVELOPMENT CORPORATION,
an Illinois not-for-profit corporation

By: _____
Name: Tony Hernandez
Its: President

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

By: _____
Ciere Boatright, Commissioner

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 Tony Hernandez (the "Representative"), personally known to me to be the Vice President of 1539 N. Pulaski Road Charitable Corporation, an Illinois not-for-profit corporation ("Manager"), which is the sole member and manager of 1539 N. Pulaski Road GP, LLC, an Illinois limited liability company ("General Partner"), which is the sole general partner of 1539 N. Pulaski Road HHDC, LP, an Illinois limited partnership ("Limited Partnership" together with General Partner and Manager, the "Owner"), 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 Owner, as the Representative's free and voluntary act and as the free and voluntary act of the Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 2025.

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 Tony Hernandez (the "Representative"), personally known to me to be the President of Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("HHDC"), 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 HHDC, as the Representative's free and voluntary act and as the free and voluntary act of HHDC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 2025.

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 Tony Hernandez (the "Representative"), personally known to me to be the Vice President of 1539 N. Pulaski Road Charitable Corporation, an Illinois not-for-profit corporation ("1539 Charitable Corporation"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that the Representative signed, sealed, and delivered said instrument, pursuant to the authority given to the Representative by 1539 Charitable Corporation, as the Representative's free and voluntary act and as the free and voluntary act of 1539 Charitable Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, 2025.

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 Ciere Boatright, 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]

Lots 12, 13, 14, 15, 16, 17, 18 and 19 in Block 1 in Hosmer and Mackey's Subdivision of Blocks 1 to 6 and 12 to 16 both inclusive in Subdivision of the West half of the Northwest quarter of Section 2, Township 39 North, Range 13, Lying East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 1525-1539 N. Pulaski Road, Chicago, Illinois

Property Index Numbers: 16-02-100-006-0000
16-02-100-007-0000
16-02-100-008-0000
16-02-100-009-0000
16-02-100-010-0000

Exhibit B

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

(attached)

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.

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.

EXHIBIT B: PROJECT BUDGET AND ELIGIBLE COSTS

Project Budget			
Line Item	Amount		
Building Cost	\$230,000		
Land Cost	\$630,000		
Carrying Costs	\$172,557		
Transfer Stamps	\$7,000		
Acquisition Costs Subtotal	\$1,039,557	MBE Budget	WBE Budget
Net Construction Costs	\$21,618,564	\$5,620,827	\$1,297,114
General Conditions	\$1,405,207	\$365,354	\$84,312
Overhead	\$462,745	\$120,314	\$27,765
Profit	\$1,405,207	\$365,354	\$84,312
Construction Costs Subtotal	\$24,891,723	\$6,471,848	\$1,493,503
Furniture, Fixtures, & Equipment	\$118,340	*The amounts for Development Costs set forth in the MBE/WBE Budget table above do not include contingency allowances. To the extent that any contingency allowance is spent or the Development Costs listed above increase, the required MBE/WBE minimum contract amounts will adjust accordingly.	
Building Permits	\$168,500		
GC Insurance	\$280,000		
Fencing	\$101,975		
Landscaping	\$146,127		
Site Preparation	\$435,668		
Other Construction	\$331,968		
Contingency	\$1,295,373		
Other Construction Subtotal	\$2,877,951		
Streets	\$138,940		
Electrical & Gas	\$263,008		
Sidewalk	\$138,940		
Sewer & Water	\$263,008		
Infrastructure Subtotal	\$803,896		
Soil Testing	\$104,000		
Other Environmental	\$50,700		
Environmental Subtotal	\$154,700		
Architect - Design	\$337,860		
Architect - Supervision	\$109,970		
Engineering Fees	\$263,012		
Permit Expediter	\$60,000		
As-Is Plats & Surveys	\$10,000		
Accountant - Tax Preparation	\$4,000		
Accountant -- 8609s	\$18,000		
Accountant -- General	\$18,000		
Legal - Organizational	\$285,000		
Legal - Syndication	\$151,500		
Consultant - Historic	\$5,000		

Consultant - Financial	\$60,000
Consultant - TIF	\$39,313
Appraisal	\$13,800
Market Study	\$21,150
Phase I Environ. Report	\$12,550
Phase II Environ. Report	\$15,000
Title & Recording Fees	\$50,000
Other Professional Fees	\$173,561
Professional Fees Subtotal	\$1,647,716
Tax Credit Issuer Fees	\$188,252
Application Fees	\$11,500
Construction Points	\$302,314
Construction Inspection	\$30,000
Lender Legal Fees	\$90,000
MIP	\$10,000
Bond -- Other	\$2,500
Construction Interest	\$831,478
Other Lender Fees	\$15,000
Lender Fees Subtotal	\$1,481,044
Liability Insurance	\$52,317
Other Construction Period	\$62,171
Construction Period Subtotal	\$114,488
Leasing Personnel	\$45,000
Advertising	\$10,000
Marketing & Leasing Subtotal	\$55,000
Developer Fee	\$1,856,356
Developer Fee Subtotal	\$1,856,356
Lease-Up Reserve	\$108,400
ACC Reserve	\$25,000
Insurance Reserve	\$94,500
Operating Reserve	\$301,926
Replacement Reserve	\$45,750
Other Reserves	\$661,327
Reserves Subtotal	\$1,236,903
Grand Total Dev Costs	\$36,159,334
Project MBE Total at 26% =	\$6,471,848
Project WBE Total at 6% =	\$1,493,503
PROJECT SOURCES:	
Equity	\$16,198,170
Lender Financing	\$0
TIF	\$13,244,690
Other funds	\$6,716,474
TOTAL:	\$36,159,334

1539 N Pulaski Apartments		Affordable Units/Total Residential Units: 97.69%		
		Gross Resi SF/Total Gross SF: 100.00%		
TIF-FUNDED IMPROVEMENTS				
Category	Project Budget Amount *	Adjusted Project Budget Amount *	% TIF Eligible	TIF Eligible Cost**
New Construction: Cost of construction of new housing units to be occupied by low-income households and very low-income households (90% of Construction Costs by Square Foot) ***	\$22,402,551	\$21,885,742	50%	\$10,942,871
Rehabilitation: Cost of construction of new housing units to be occupied by low-income households and very low-income households (10% of Construction Costs by Square Foot) ***	\$2,489,172	\$2,431,749	100%	\$2,431,749
Demolition	\$442,185	\$442,185	100%	\$434,936
Eligible Soft Costs - Architectural Expenses	\$447,830	\$440,489	50%	\$220,244
Eligible Soft Costs - Engineering Fees	\$263,012	\$258,700	50%	\$129,350
Total **				\$15,490,107

* Project Budget amounts above are based upon 60 affordable units.

** Notwithstanding the total of TIF eligible costs, and subject to the budget containing sufficient TIF eligible costs, the assistance to be provided by the City shall not exceed [\$13,244,690].

*** Net Residential Construction Costs, General Contractor General Requirements (residential), General Contractor Overhead (residential), and General Contractor Profit (residential).

Exhibit C-1

List of Prior Expenditures

[Not attached for ordinance]

Exhibit C-2

ADOPT-A-LANDMARK BUDGET

Subject to the review and approval of the Commission on Chicago Landmarks and in accordance with any Commission/PRC conditions of approval (and as depicted on drawings prepared by UrbanWorks Ltd. and Arda Design, dated 3/19/2025) the project Scope of Work and Budget under Adopt-A-Landmark Fund for the Landmark Building shall consist of:

***West Elevation Masonry**

Terra Cotta Units - Repair in Situ **\$275,058**

- Repair and cleaning, including graffiti removal, of isolated terra cotta units in place where indicated on the elevations. Architect/Engineer will finalize terra cotta repair types, locations, and quantities during construction. Repairs will include routing and sealing cracks, removal of abandoned anchors and hardware, and patching/glazing spall repairs. Total area of terra cotta facade is approximately 2400 sf.

Terra Cotta Units - Remove & Reset **\$100,023**

- Removal of horizontal courses of terra cotta units where indicated on plans. Repair and cleaning of masonry backup as necessary and cleaning and painting all exposed steel at openings. Install new steel support structure and anchors where existing steel is compromised. Architect/Engineer will finalize steel repair types, locations, and quantities during construction. Total area of units to be removed and reset is approximately 1000 sf.

Terra Cotta Units - Replacement **\$200,046**

- Provide replacement GFRC units for missing terra cotta units. Terra cotta units designated for replacement are identified in the elevations. Architect/Engineer to finalize terra cotta replacement locations and quantities during construction. Approximately three dozen replacement units are required.

Masonry/Tuckpointing **\$510,627**

- Terra Cotta at full elevation - Grind and point all terra cotta mortar joints at the west elevation as indicated on the elevations. Mortar color is to match existing mortar after cleaning. Hand raking is required at all decorative units and frieze bands. Grinders may be allowed at field joints and parapet after approved mockups. Total area of terra cotta facade is approximately 2400 sf.

- Replace Coping Sky joints – At all upward facing joints between terra cotta units within repair areas (i.e. water tables, windowsills, copings), remove mastic or remove existing mortar to a depth of 1" and install backer rod and sealant.
- Install Through-wall Parapet Flashing – Remove, salvage, and reset all terra cotta coping units at the west elevation parapet and install through-wall flashing. Replace damaged terra cotta units as designated on the elevations.
- Removal of brake metal cladding at parapet. Terra cotta units found to be damaged or otherwise compromised to be replaced.

***North and South Elevations Masonry**

\$94,500

- Repoint, Replace Common Brick – Grind and point all joints at common brick to remain at north and south elevations. Replace compromised units as indicated on plans and elevations. Total area of common brick is approximately 2500 sf; approximately 800 sf full replacement.

***West Elevation Window/Storefront**

Ground Floor Windows

\$440,000

- Remove non-historic aluminum storefront infill at existing window and door openings. Install new aluminum window and storefront system with applied historic profile. New window configurations will match original configuration per historic photographs. New entry system includes a historically compatible revolving door. Total area of window and entry replacement is approximately 820 sf.

Second Floor Windows

\$88,400

- Remove non-historic aluminum storefront infill at existing window openings. Install new clad-wood window units. New window configurations will match original configuration per historic photographs. Total area of new windows is approximately 425 sf.

Lobby Work

\$421,160

- Removal of existing tile flooring and providing new historically compatible tile floor finish, full-depth plaster wall and ceiling reconstruction and repair. Replication of missing plaster ornamentation to match existing profiles and reconstruction of existing grand stair with historically compatible metal pan stair assembly and ornamentation.

Third-party Architect

\$25,750

New Construction

- The proposed building type will be a single six-story, new construction, dual elevator building in a contemporary design using Type II-A non-combustible construction. The primary structural system will be cold-formed metal framing, with bearing walls at exterior walls and corridors, and structural steel framing where required at the ground floor. The floor and roof assemblies will utilize cold formed metal trusses with metal

deck. The building will include a fire sprinkler system complying with NFPA-13 and a 4-hour rated fire wall where the new construction meets the existing building.

• Acquisition	\$1,039,557
• New & Other Construction	\$26,429,212
• Soft Costs	\$5,298,092
• Reserves	\$1,236,909

TOTAL PROJECT COSTS	\$36,159,334
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ADOPT-A-LANDMARK GRANT	\$510,000
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***The intent of this work is to address all exterior issues present on the landmark building**

*Notwithstanding the total amount of Adopt-a-Landmark eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.09 and shall not exceed \$510,000.

Exhibit D

PROJECT RESOLUTION, INCLUDING CONDITIONS OF APPROVAL

[Not attached for ordinance]

EXHIBIT E
HUD REQUIRED PROVISIONS RIDER
[Not attached for ordinance]