

**FY 2020
ANNUAL TAX INCREMENT FINANCE
REPORT**



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA


Name of Municipality: City of Chicago
County: Cook
Unit Code: 016/620/30

Reporting Fiscal Year: **2020**
Fiscal Year End: **12/31/2020**

FY 2020 TIF Administrator Contact Information

First Name: **Maurice D.** Last Name: **Cox**
Address: City Hall, 121 N LaSalle Title: Administrator
Telephone: (312) 744-4190 City: Chicago Zip: 60602
Email-
required **TIFreports@cityofchicago.org**

I attest to the best of my knowledge, that this FY 2020 report of the redevelopment project area(s)
in the **City/Village of: City of Chicago**
is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

 6/29/2021
Written signature of TIF Administrator **Date**

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated MM/DD/YYYY	Date Terminated MM/DD/YYYY
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	12/31/2023
116th/Avenue O	10/31/2018	12/31/2042
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
24th/Michigan	7/21/1999	12/31/2023
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th/St. Lawrence	1/10/1996	12/31/2020
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

60th/Western	5/9/1996	12/31/2020
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	12/31/2022
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	12/31/2022
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2031
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/31/2032
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	12/31/2023
Clark/Ridge	9/29/1999	12/31/2023
Commercial Avenue	11/13/2002	12/31/2026
Cortland/Chicago River	4/10/2019	12/31/2043
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	12/31/2032
Greater Southwest Industrial (East)	3/10/1999	12/31/2023
Greater Southwest Industrial (West)	4/12/2000	12/31/2024
Harrison/Central	7/26/2006	12/31/2030

	Hollywood/Sheridan	11/7/2007	12/31/2031
	Homan/Arthington	2/5/1998	12/31/2022
	Humboldt Park Commercial	6/27/2001	12/31/2025
	Irving/Cicero	6/10/1996	12/31/2020
	Jefferson Park	9/9/1998	12/31/2022
	Jefferson/Roosevelt	8/30/2000	12/31/2024
	Kennedy/Kimball	3/12/2008	12/31/2032
	Kinzie Industrial Corridor	6/10/1998	12/31/2022
	Lake Calumet Area Industrial	12/13/2000	12/31/2024
	Lakefront	3/27/2002	12/31/2026
	LaSalle Central	11/15/2006	12/31/2030
	Lawrence/Broadway	6/27/2001	12/31/2025
	Lawrence/Kedzie	2/16/2000	12/31/2024
	Lawrence/Pulaski	2/27/2002	12/31/2026
	Lincoln Avenue	11/3/1999	12/31/2023
	Little Village East	4/22/2009	12/31/2033
	Little Village Industrial Corridor	6/13/2007	12/31/2031
	Madden/Wells	11/6/2002	12/31/2026
	Madison/Austin Corridor	9/29/1999	12/31/2023
	Michigan/Cermak	9/13/1989	12/31/2025
	Midway Industrial Corridor	2/16/2000	12/31/2024
	Midwest	5/17/2000	12/31/2036
	Montclare	8/30/2000	12/31/2024
	Montrose/Clarendon	6/30/2010	12/31/2034
X	Near North	7/30/1997	12/31/2021
	North Branch North	7/2/1997	12/31/2021
	North Branch South	2/5/1998	12/31/2022
	North Pullman	6/30/2009	12/31/2033
	North/Cicero	7/30/1997	12/31/2021
	Northwest Industrial Corridor	12/2/1998	12/31/2022
	Ogden/Pulaski	4/9/2008	12/31/2032
	Ohio/Wabash	6/7/2000	12/31/2024
	Peterson/Cicero	2/16/2000	12/31/2024
	Peterson/Pulaski	2/16/2000	12/31/2024
	Pilsen Industrial Corridor	6/10/1998	12/31/2022
	Portage Park	9/9/1998	12/31/2022
	Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
	Pulaski Industrial Corridor	6/9/1999	12/31/2023
	Randolph/Wells	6/9/2010	12/31/2034
	Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
	River South	7/30/1997	12/31/2021
	River West	1/10/2001	12/31/2025
	Roosevelt/Cicero Industrial Corridor	2/5/1998	12/31/2022
	Roosevelt/Clark	4/10/2019	12/31/2043
	Roosevelt/Racine	11/4/1998	12/31/2034
	Roosevelt/Union	5/12/1999	12/31/2023
	Roseland/Michigan	1/16/2002	12/31/2026
	Sanitary and Ship Canal	7/24/1991	12/31/2027
	South Chicago	4/12/2000	12/31/2024
	Stevenson Brighton	4/11/2007	12/31/2031
	Stockyards Annex	12/11/1996	12/31/2020
	Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
	Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034

Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	12/31/2022
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	12/31/2023

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
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Name of Redevelopment Project Area (below): Near North Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combination/Mixed

*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If 'Combination/Mixed' List Component Types: Residential/Commercial/Industrial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> <u>X</u> Industrial Jobs Recovery Law <input type="checkbox"/> _____

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	X	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements (labeled Attachment M).		X

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))
Provide an analysis of the special tax allocation fund.

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TIF NAME: Near North Redevelopment Project Area

Special Tax Allocation Fund Balance at Beginning of Reporting Period: \$ 104,925,148

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 34,398,642	\$ 359,343,145	83%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ 4,027,229	\$ 12,533,054	3%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ 55,000,000	13%
Transfers from Municipal Sources	\$ -	\$ 3,546,644	1%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ 331,143	0%

All Amount Deposited in Special Tax Allocation Fund \$ 38,425,871

Cumulative Total Revenues/Cash Receipts \$ 430,753,986 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 3,935,581

Transfers to Municipal Sources \$ -

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 3,935,581

Net Income/Cash Receipts Over/(Under) Cash Disbursements \$ 34,490,290

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 139,415,438

*If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

**Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY
(Total and Cumulative Values Carried Forward to Section 3.1)**

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TIF NAME: Near North Redevelopment Project Area

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 331,143
Note Proceeds		0
Non-compliance Payment		0
Excess Reserve Requirement		0
Build America Bonds Subsidy		0
Collection Returns		0
Credits from Expenditures		0

Total Schedule of "Other" Sources During Reporting Period \$ -

Cumulative Total Schedule of "Other" Sources \$ 331,143

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))

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TIF NAME: Near North Redevelopment Project Area

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment project costs)

PAGE 1

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	464,170	
		\$ 464,170
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
	1,926,853	
		\$ 1,926,853
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of construction of public works or improvements.		
	689,363	
		\$ 689,363

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.		
Costs of construction of new housing units for low income or very low income households.	855,195	
		\$ 855,195
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 3,935,581

Section 3.2 B

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TIF NAME: Near North Redevelopment Project Area

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

Name	Service	Amount
City Staff Costs (1)	Administration	\$385,219.00
City Program Management Costs	Administration	\$33,731.00
Chicago Housing Authority	Demolition	\$1,926,853.49
Parkside Nine Phase II	Development	\$855,195.26
Old Town Merchants & Residents Association	Professional Service	\$17,850.00
John McDonough	Public Improvement	\$19,210.50
John Burns Construction	Public Improvement	\$124,541.39
Ciorba Group Inc.	Public Improvement	\$72,207.85
Chicago Park District	Public Improvement	\$197,297.82
Ameresco, Inc	Public Improvement	\$260,544.66

(1) Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

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TIF NAME: Near North Redevelopment Project Area

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X **Check here if no property was acquired by the Municipality within the Redevelopment Project Area.**

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	
Property (8):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

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TIF Name: Near North Redevelopment Project Area

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment	12

LIST **ALL** projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 249,759,873	\$ -	\$ 70,538,364
Public Investment Undertaken	\$ 51,229,897	\$ 864,243	\$ 19,341,100
Ratio of Private/Public Investment	4 7/8	-	3 11/17

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: North Town Village LLC (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 46,400,000	-	\$ -
Public Investment Undertaken	\$ 5,102,178	-	\$ -
Ratio of Private/Public Investment	9 8/85	-	-

Project 2*: River Village Townhomes & Lofts (Site H) (Project Completed) (1)

Private Investment Undertaken (See Instructions)	\$ 3,051,024	-	\$ -
Public Investment Undertaken (2)	\$ 1,395,311	-	\$ -
Ratio of Private/Public Investment	2 14/75	-	-

Project 3*: River Village - Site I (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 2,958,227	-	\$ -
Public Investment Undertaken	\$ 3,484,024	-	\$ -
Ratio of Private/Public Investment	45/53	-	-

Project 4*: Lakefront Supportive Housing (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 13,188,021	-	\$ -
Public Investment Undertaken	\$ 1,000,000	-	\$ -
Ratio of Private/Public Investment	13 3/16	-	-

Project 5*: Parkside of Old Town- CHA Transformation (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 96,244,234	-	\$ -
Public Investment Undertaken	\$ 8,815,191	-	\$ -
Ratio of Private/Public Investment	10 56/61	-	-

Project 6*: SBIF - Near North (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ 3,000,000
Public Investment Undertaken	\$ 742,412	-	\$ 1,500,000
Ratio of Private/Public Investment	0	-	2

Project 7*: River Village - Site G - Pointe (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 25,504,028	-	\$ -
Public Investment Undertaken	\$ 5,697,494	-	\$ -
Ratio of Private/Public Investment	4 10/21	-	-

Project 8*: Parkside Old Town - Cabrini Phase II (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 33,505,231
Public Investment Undertaken	\$ 7,331,867	\$ 864,243	\$ 8,216,100
Ratio of Private/Public Investment	0	-	4 6/77

Project 9*: TIFWorks - Near North (Project is Ongoing***)**

Private Investment Undertaken (See Instructions)	0	-	\$ -
Public Investment Undertaken	0	-	\$ 125,000
Ratio of Private/Public Investment	0	-	-

Project 10*: Parkside IIB Rental Project (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 31,351,529	-	\$ -
Public Investment Undertaken	\$ 9,642,808	-	\$ -
Ratio of Private/Public Investment	3 1/4	-	-

Project 11*: ClyDiv (Project Completed)

Private Investment Undertaken (See Instructions)	\$ 31,062,810	-	\$ -
Public Investment Undertaken	\$ 8,018,612	-	\$ -
Ratio of Private/Public Investment	3 7/8	-	-

Project 12*: Parkside Four Phase II Rental Project (Project is Ongoing*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 34,033,133
Public Investment Undertaken	0	-	\$ 9,500,000
Ratio of Private/Public Investment	0	-	3 53/91

Project 13*:

Private Investment Undertaken (See Instructions)		-	\$ -
Public Investment Undertaken		-	\$ -
Ratio of Private/Public Investment	0	-	-

Project 14*:

Private Investment Undertaken (See Instructions)		-	\$ -
Public Investment Undertaken		-	\$ -
Ratio of Private/Public Investment	0	-	-

Project 15*:

Private Investment Undertaken (See Instructions)		-	\$ -
Public Investment Undertaken		-	\$ -
Ratio of Private/Public Investment	0	-	-

Project 16*:

Private Investment Undertaken (See Instructions)		-	\$ -
Public Investment Undertaken		-	\$ -
Ratio of Private/Public Investment	0	-	-

Section 5 Notes

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TIF NAME: Near North Redevelopment Project Area

General Notes

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenue, and may include interest amounts paid to finance the Public Investment amount. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenue that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

Project/Program-Specific Notes

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

(1) This project straddles the Near North Redevelopment Project Area and the Chicago/Kingsbury Redevelopment Project Area.

(2) This line reports the amounts, if any, that have been or are anticipated to be funded from increment received from this Area only. The aggregate amount of Public Investment Undertaken for this Project is the sum of these figures, if any, and the corresponding figures from the other Area or Areas that this Project straddles.

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of complete TIF report**

SECTION 6

FY 2020

TIF NAME: Near North Redevelopment Project Area

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

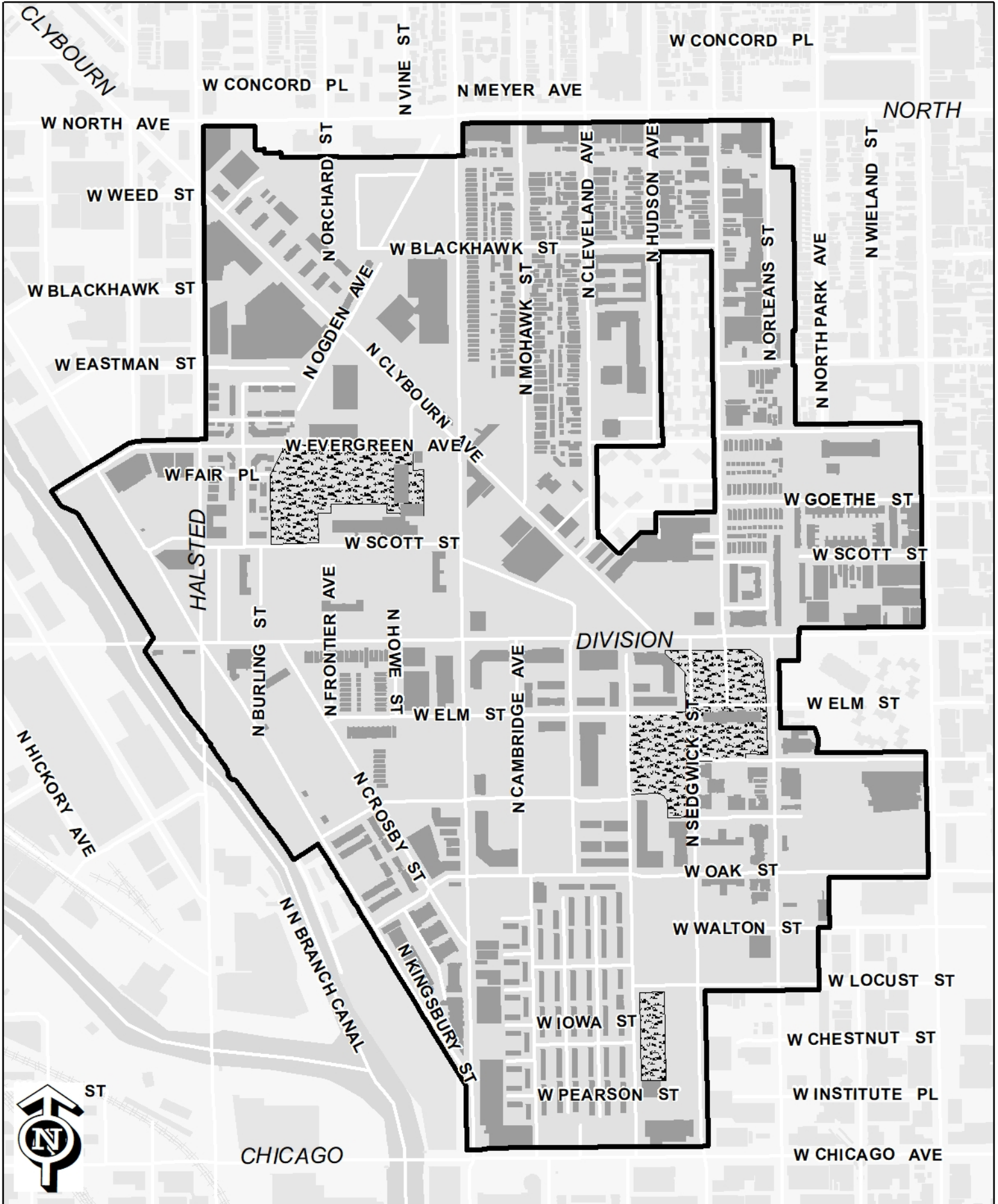
SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

--

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	X

Near North TIF Annual Report



STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Susana Mendoza
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Rosanna Barbaro-Flores, Director of Local Government

Janice Jackson
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

Daryl Okrzesik
Associate Vice Chancellor-Finance
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District
of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Xochitl Flores
Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

Charles Givines, President
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

I, Lori E. Lightfoot, in connection with the annual report (the “Report”) of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the “Act”), with regard to the Near North Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the “City”) and, as such, I am the City’s Chief Executive Officer. This Certification is being given by me in such capacity.

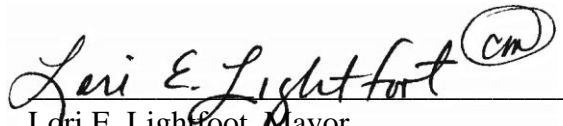
Attachment B

2. During the preceding fiscal year of the City, being January 1 through December 31, 2020, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this June 29, 2021.


Lori E. Lightfoot, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW
CITY OF CHICAGO

June 29, 2021

Susana Mendoza
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: Rosanna Barbaro-Flores, Director of Local Government

Janice Jackson
Chief Executive Officer
Chicago Board of Education
42 West Madison Street
Chicago, Illinois 60603

Daryl Okrzesik
Associate Vice Chancellor-Finance
City Colleges of Chicago
3901 South State Street
Chicago, Illinois 60609

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
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Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

Charles Givines, President
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P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks, 7th Floor
Chicago, Illinois 60611

Re: Near North Redevelopment Project Area
(the "Redevelopment Project Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such City Departments and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the factual certification of the Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing her required certification in connection with the Report, and not by any other party.

Very truly yours,


Celia Meza
Corporation Counsel

SCHEDULE 1

June 29, 2021

CERTIFICATION

Commissioner
Department of Planning and Development
City of Chicago

I, Maurice D. Cox, am the Commissioner of the Department of Planning and Development (“DPD”) of the City of Chicago, Illinois (the “City”) and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the “Law”), as the case may be, in connection with the submission of an annual report (the “Report”) containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the “Redevelopment Project Areas”).

I hereby certify the following to the Corporation Counsel of the City:

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,



Maurice D. Cox
Commissioner
Department of Planning and Development

FY 2020

TIF NAME: Near North Redevelopment Project Area

Projects that were implemented during the preceding fiscal year are set forth below:

Name of Project
Parkside Four Phase II Rental Project

FULL
EXHIBITS

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

PARKSIDE FOUR PHASE II RENTAL PROJECT REDEVELOPMENT AGREEMENT

This Parkside Four Phase II Rental Project Redevelopment Agreement (the "**Agreement**") is made as of this 24th day of January, 2020, by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and Parkside Four Phase II, LP, an Illinois limited partnership ("**Rental Owner**"), and Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("**LAC**").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on July 30, 1997: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Near North Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Near North Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Near North Redevelopment Project Area" (the "**TIF Adoption Ordinance**") (items(1)-(3)

collectively referred to herein as the “**TIF Ordinances**”). The Redevelopment Area (as defined below) is legally described in Exhibit A.

D. The Project: Parkside Associates, LLC, an Illinois limited liability company, (“**Parkside**”) of which Holsten Real Estate Development Corporation (“**Holsten**”) and LAC are members, previously entered into a Contract for Redevelopment of Cabrini-Green Extension North dated September 29, 2005 (as amended, the “**CHA Redevelopment Agreement**”) with the Chicago Housing Authority (“**CHA**”) and Daniel E. Levin and The Habitat Company LLC, not personally but in their former official capacity as Receiver for CHA, for the construction by Parkside and other entities formed by Parkside of approximately 718 housing units, including replacement public housing, on sites located within the Near North Tax Increment Financing Redevelopment Project Area (the “**Redevelopment Area**”). The project contemplated by this Redevelopment Agreement is for the construction of approximately 102 of those units on sites bounded generally by North Larrabee Street on the west, West Elm Street on the north, North Cambridge Avenue on the east and West Hobbie Street on the south, in the Redevelopment Area (the “**Property**”). CHA will lease the Property to LAC which will assign the ground lease to Rental Owner, subject to certain regulatory restrictions. The Property is approximately ___ acres, and is located wholly within the Redevelopment Area. A legal description of the Property is stated in Exhibit B-1. The Property is currently undeveloped and subject to the zoning requirements stated in Residential-Business Planned District No. 1006 (including any approved amendment thereof, the “**PD**”). In accordance with this Agreement, the Developer Parties (as hereinafter defined) plan to construct a combination of two 3-story walk-ups and one seven story mid-rise building. The buildings will collectively comprise approximately 102 rental units consisting of 64 rental units for low-income families, 33 of which will also be CHA-RAD/LIHTC units, 2 CHA-RAD/non-LIHTC rental units, and 36 market rate rental units, community spaces, outdoor spaces, and 71 off-street parking spaces (the “**Project**”). A site plan for the Project (the “**Site Plan**”) is Exhibit B-2. The completion of the Project would not reasonably be anticipated to occur without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement, the PD and the City of Chicago Near North Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the “**Redevelopment Plan**”) and as amended from time to time.

F. City Financing and Assistance: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes to pay or reimburse the Developer Parties for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds (“**TIF Bonds**”) secured by Incremental Taxes (as defined below) pursuant to a TIF bond ordinance (the “**TIF Bond Ordinance**”), at a later date as described and conditioned in Section 4.07 hereof. The proceeds of the TIF Bonds (the “**TIF Bond Proceeds**”) may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes in order to reimburse the City for the costs of TIF-Funded Improvements.

NOW, THEREFORE, in consideration of the premises and 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 hereto hereby agree as follows:

SECTION ONE. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A Redevelopment Area
2. Definitions	B-1 *Property
3. The Project	B-2 Site Plan
4. Financing	C-1 *Project Budget
5. Conditions Precedent	C-2 * MBE/WBE Budget
6. Agreements with Contractors	D *TIF-Funded Improvements
7. Completion of Construction or Rehabilitation	E Construction Contract
8. Covenants/Representations/Warranties of Developer	F Approved Prior Expenditures
9. Covenants/Representations/Warranties of the City	G Permitted Liens
10. Developer's Employment Obligations	H Opinion of Developer's Counsel
11. Environmental Matters	I Form of Payment Bond
12. Insurance	J Requisition Form
13. Indemnification	K Lender Financing
14. Maintaining Records/Right to Inspect	L Escrow Agreement
15. Defaults and Remedies	M Prior TIF Obligations
16. Mortgaging of the Project	N Form of Certificate of Completion
17. Notice	(An asterisk (*) indicates which exhibits are to be recorded.)
18. Miscellaneous	

SECTION TWO: DEFINITIONS

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

“**Act**” has the meaning defined in the recitals.

“**Actual Residents of the City**” has the meaning defined for such phrase in Section 10.02(c).

“**Affiliate**” means any individual, corporation, partner, partnership, trust or entity which owns or controls a controlling interest, or is owned or controlled by, or is under common ownership or control with, in whole or in part, a Developer Party or any successor to a Developer Party or its respective subsidiary(ies) or parent(s).

“**Agreement**” has the meaning defined in the Agreement preamble.

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

“**Annual Compliance Report**” shall mean a signed report from the Rental Owner to the City (a) itemizing each of the Developer Parties’ obligations under this Agreement during the

preceding calendar year, (b) certifying the Developer Parties' compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer Parties are not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.12); (2) delivery of updated insurance certificates, if applicable (Section 8.13); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.14); (4) compliance with the Affordability Requirements (Section 8.19); and (5) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes" means an amount equal to 90% of the Incremental Taxes (as defined below) deposited in the Redevelopment Project Area Special Tax Allocation Fund (as defined below) attributable to the taxes levied on property in the Redevelopment Area, using the year 1997 as a base year for equalized assessed valuation.

"Available Project Funds" has the meaning defined for such phrase in Section 4.08(g).

"Bonds" has the meaning defined in Section 8.05.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the State.

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

"CHA-RAD LIHTC Units" shall mean the 33 residential units in the Project which shall be leased to CHA Residents by the Rental Owner, and subject to the requirements of Section 42 of the Internal Revenue Code of 1986, as amended.

"CHA-RAD Units" shall mean the 2 residential units in the Project which shall be leased to CHA Residents by the Rental Owner, but not governed by Section 42 of the Internal Revenue Code of 1986, as amended.

"CHA Residents" shall mean tenants converting from "public housing" as defined in Section 3(b) of the United States Housing Act of 1937, as amended, to assistance under Section 8 of the aforesaid Act in accordance with the Rental Assistance Demonstration ("RAD") Program authorized by the Consolidated and Further Continuing Appropriations Act of 2012, as such laws may hereafter be amended from time to time or any successor legislation, together with all regulations implementing the same.

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

"CIBC" means CIBC Bank USA and its successors and assigns.

"City" has the meaning defined in the Agreement preamble.

"City Contract" has the meaning defined in Section 8.01(o).

"City Council" means the City Council of the City of Chicago as defined in the recitals.

"City Funds" means the funds described in Section 4.03(b).

"City Group Member" has the meaning defined in Section 8.10.

"City Regulatory Agreement" means that certain Regulatory Agreement entered into on the date hereof by Rental Owner and the City.

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

"Construction Contract" means collectively those certain contracts substantially in the form of Exhibit E, to be entered into between Rental Owner and the General Contractor (as defined below) providing for construction of the TIF-Funded Improvements.

"Construction Program" has the meaning defined in Section 10.03.

"Corporation Counsel" means the City's Office of Corporation Counsel.

"Davis-Bacon Act" shall mean 40 U.S.C. Section 276a et seq.

"Developer Parties" means, collectively, the Rental Owner, and LAC; **"Developer Party"** means any one of the Developer Parties.

"DPD" has the meaning defined in the Agreement preamble.

"EDS" shall mean 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)" has the meaning defined in Section 10.01.

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"Equity" means funds of Developer Parties (other than funds derived from Lender Financing (as defined below)) available for the Project, in the amount stated in Exhibit K attached hereto, which amount may be increased under Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow Agreement" means that certain Escrow Agreement entered into on the date hereof by the City, Developer Parties, lenders providing Lender Financing and other parties, in substantially the form attached as Exhibit L.

"Event of Default" has the meaning defined in Section 15.01.

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

"Existing Mortgages" has the meaning defined in Section 16.01.

"Financial Statements" means, for each of Rental Owner and LAC, the financial statements of such Developer Party regularly prepared by such Developer Party, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the lender(s) providing Lender Financing pursuant to Rental Owner's loan agreement(s), if any.

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

"Governmental Charge" has the meaning defined in Section 8.18(a).

"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 Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

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

"Human Rights Ordinance" has the meaning defined in Section 10.01(a).

"In Balance" has the meaning defined in Section 5.16(g).

"Incremental Taxes" means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Redevelopment Project Area Special Tax Allocation Fund.

"Indemnitee" and **"Indemnitees"** have the respective meanings defined in Section 13.01.

"Lender Financing" means funds borrowed by Rental Owner from lenders and available to pay for costs of the Project, in the amount stated in Exhibit K, if any.

"Limited Partner" means Stratford Parkside Chicago Investors Limited Partnership or another affiliate of Stratford Capital Group LLC and its successors and assigns.

"MBE(s)" has the meaning defined in Section 10.03.

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit C-2, as described in Section 10.03.

"MBE/WBE Program" has the meaning defined in Section 10.03.

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

"New Mortgage" has the meaning defined in Section 16.01.

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

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

"PD" has the meaning defined in the recitals.

"Permitted Liens" means those liens and encumbrances against the buildings in the Project and/or the Project stated in Exhibit G.

"Permitted Mortgage" has the meaning defined in Section 16.01.

"Plans and Specifications" means final construction documents containing a site plan and working drawings and specifications for the Project.

"Prior Expenditure(s)" has the meaning defined in Section 4.05.

"Procurement Program" has the meaning defined in Section 10.03.

"Project" has the meaning defined in the recitals.

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

"Property" has the meaning defined in the recitals.

"Redevelopment Area" has the meaning defined in the recitals.

"Redevelopment Plan" has the meaning defined in the recitals.

"Redevelopment Project Area Special Tax Allocation Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined below) will be deposited.

"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 stated in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Rental Owner" has the meaning defined in the Agreement preamble.

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

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

"Site Plan" has the meaning defined in the recitals.

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

"State" means the State of Illinois as defined in the recitals.

"Survey" means a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" means the period of time commencing on the Closing Date and ending December 31, 2021, such date being the date on which the Redevelopment Area is no longer in effect.

"TIF Adoption Ordinance" has the meaning stated in the recitals.

"TIF Bonds" has the meaning defined for such term in the recitals.

"TIF Bond Ordinance" has the meaning stated in the recitals.

"TIF Bond Proceeds" has the meaning stated in the recitals.

"TIF Ordinances" has the meaning stated in the recitals.

"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, as needed, subject to the terms of this Agreement, and (iv) are stated in Exhibit D.

"Title Company" means Greater Illinois Title Company.

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

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

"WBE(s)" has the meaning defined in Section 10.03.

SECTION THREE: THE PROJECT

3.01 **The Project.** Developer Parties shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) begin redevelopment construction no later than [ninety days] after the Closing Date; and (ii) complete redevelopment construction no later than the [third anniversary] of the Closing Date, subject to the provisions of Section 18.16 (Force Majeure).

3.02 **Scope Drawings and Plans and Specifications.** Rental Owner has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved them. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to DPD as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer Parties will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to 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.** Rental Owner has furnished to DPD, and DPD has approved, a Project Budget which is Exhibit C-1, showing total costs for the Project in an amount not less than \$43,533,133. Rental Owner hereby certifies to the City that: (a) in addition to City Funds, the Lender Financing and/or Equity described in Exhibit K shall be sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Rental Owner will promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval as provided in Section 3.04.

3.04 **Change Orders.** Except as provided in subparagraph (b) below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by Rental Owner to DPD concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Rental Owner to DPD for DPD's prior written approval: (i) a reduction or increase by more than five percent (5%) in the square footage of the Project, or (ii) a change in the basic use of the Property and improvements, (iii) an increase or reduction in the Project budget by more than 10% or (iv) a delay in the Project completion date of more than 90 days, or (v) Change Orders costing more than \$150,000 each, or more than \$1,000,000 in the aggregate. DPD will respond to Rental Owner's request for written approval within 30 days from receipt of such request by granting or denying such request or by requesting additional information from Rental Owner. If DPD does not respond to Rental Owner's request, and if Rental Owner has complied with the requirements for notice stated in Section 17.02, then Rental Owner's request will be deemed to have been approved by DPD. Developer Parties will not authorize or permit the performance of any work relating to any Change Order requiring DPD's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Rental Owner of DPD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Rental Owner.

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

approval of the utility, quality, structural soundness, safety, habitability, or investment quality of 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 Parties' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer Parties shall not commence construction of the Project until Developer Parties have obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Rental Owner will provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring DPD's written approval under Section 3.04). Rental Owner must also deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Rental Owner's MBE/WBE Commitment). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Rental Owner acceptable to DPD to address and cure such shortfall. At Project completion, upon the request of DPD, Rental Owner will provide 3 copies of an updated Survey to DPD reflecting improvements made to the Property.

3.08 **Inspecting Agent or Architect.** The independent agent or architect (other than Rental Owner's architect) selected by the lender providing Lender Financing will also act as the inspecting agent or architect for DPD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Rental Owner's account and will be promptly paid by Rental Owner. The inspecting agent or architect will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project.

3.09 **Barricades.** Rental Owner has installed (or shall install) a construction barricade of a type and appearance satisfactory to the City and which barricade was constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Project) installed after the date of this Agreement.

3.10 **Signs and Public Relations.** Rental Owner will erect in a conspicuous location on the Property during the Project a sign of commercially reasonable size and style, 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 any other pertinent, non-confidential information regarding Developer Parties and the Project in the City's promotional literature and communications.

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

3.12 **Permit Fees.** In connection with the Project, Rental Owner is obligated to pay only those building, permit, engineering, tap on, and inspection fees that are assessed on a

uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.13 **Accessibility for Disabled Persons.** Rental Owner acknowledges that it is in the public interest to design, construct and maintain the Project in a manner that promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and related improvements have been reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

SECTION FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$43,533,133 to be applied in the manner stated in the Project Budget and funded from the sources identified in Exhibit K.

4.02 **Developer Parties Funds.** Equity and Lender Financing shall be used to pay the majority of Project costs, including but not limited to costs of TIF-Funded Improvements.

4.03 **City Funds.**

(a) **Uses of City Funds.** City Funds may only be used to pay directly or reimburse the Developer Parties for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit D sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.06(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) **Sources of City Funds.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide up to \$9,500,000 of City funds (the "City Funds") from Available Incremental Taxes to pay for or reimburse the Developer Parties for the costs of the TIF-Funded Improvements; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000); and provided further, that the \$9,500,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, 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 Available Incremental Taxes deposited into the Redevelopment Project Area Special Tax Allocation Fund shall be sufficient to pay for such costs.

The Developer Parties acknowledge and agree that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer Parties pursuant to Section 4.01 hereof shall increase proportionately until such City Funds are available.

(c) **Disbursement of City Funds.** Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.08 and Section 5 hereof, the City shall disburse the City Funds in five (5) payments as follows: (i) \$2,375,000 upon the completion of 25% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; (ii) \$2,375,000 upon the completion of 50% of the construction of the Project as certified to the City in a Requisition Form with required supporting

documentation; (iii) \$2,375,000 upon the completion of 75% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; (iv) \$1,187,500 upon the completion of 100% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and (v) \$1,187,500 upon issuance of the Certificate. The Developer Parties hereby appoint the Rental Owner as the agent for all Developer Parties for the purpose of executing Requisition Forms and other certifications required to be delivered to the City pursuant to this Agreement and providing support documentation in connection with requests for disbursement of City Funds hereunder.

4.04 **Construction Escrow**. The City and the Developer Parties hereby agree to enter into the Escrow Agreement. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto, or as otherwise set forth pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

4.05 **Sale or Transfer of the Property or Project by Developer Parties**.

(a) **Prior to the Date of Issuance of the Certificate**. Subject to Sections 4.05(b) and 16.01 below, Rental Owner must obtain the prior approval of the City for any sale or transfer to an entity that is not a Developer Party of any part of the Property or the Project prior to the issuance of the Certificate. Such approval by the City will be subject to the reasonable discretion requirement stated in Section 18.19.

(b) **Sales of Assets or Equity**. For purposes of this Section 4.05, the phrase: "sale or transfer of any part of the Property or Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Rental Owner's assets or equity. The foregoing restrictions of this Section 4.05 do not apply to: (i) transfers of the ground lease; (ii) transfers to any condominium association or community association; (iii) any dedications or easements required by the subdivision, PD or applicable law; and (iv) transfers made to secure Lender Financing.

4.06 **Treatment of Prior Expenditures**. Only those expenditures made by Developer Parties with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "**Prior Expenditure(s)**"). DPD has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit F) as a Prior Expenditure as of the date hereof. Exhibit F states the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer Parties, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer Parties under Section 4.01.

4.07 **Cost Overruns**. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available under Section 4.03, Developer Parties will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.08 **Preconditions of Disbursement**. Prior to each disbursement of City Funds hereunder, the Developer Parties shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer Parties to DPD of any request for disbursement of City Funds hereunder shall, in

addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

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

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

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

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

4.09 **Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Sections 7.03 and 15.02 hereof.

4.10 **TIF Bonds.** The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the

then current market conditions. The costs of issuance of the TIF Bonds would be borne solely by the City. Rental Owner will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

SECTION FIVE: CONDITIONS PRECEDENT

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

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

5.02 **Scope Drawings and Plans and Specifications**. Developer Parties will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications as provided in Section 3.02.

5.03 **Other Governmental Approvals**. Developer Parties will have secured or applied for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to DPD.

5.04 **Financing**.

(a) Developer Parties will have furnished evidence acceptable to the City that Developer Parties have Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 and Exhibit K, which are sufficient to complete the Project and satisfy their obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer Parties will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer Parties as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01 and Exhibit K) to complete the Project.

(b) Prior to the Closing Date, Rental Owner will deliver to DPD a copy of the Escrow Agreement. The Escrow Agreement must provide that DPD will receive copies of all construction draw request materials submitted by Rental Owner after the date of this Agreement.

(c) Any financing liens against the Property and Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in Section 7.02(b) of this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Rental Owner, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the Developer Parties may collaterally assign their respective interests in this Agreement to any of their collective or respective lenders if any such lenders require such collateral assignment.

5.05 **Acquisition and Title**. On the Closing Date, Developer Parties will furnish the City with a copy of the Title Policy for the Property, showing Rental Owner as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit G and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement

and satisfactory endorsements regarding zoning (i.e., Zoning 3.1 plans and specifications) with parking, contiguity, location, access, and survey.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer Parties, at their own expense, will have provided the City with current searches under the names of each of the entities comprising Developer Parties as follows:

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

showing no liens against Developer Parties, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 **Surveys.** Developer Parties will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Rental Owner, at its own expense, will have insured the Property and the Project as required under Section 12. Prior to the Closing Date, certificates required under Section 12 evidencing the required coverages will have been delivered to DPD.

5.09 **Opinions of Developer Parties' Counsel.** On the Closing Date, Developer Parties will furnish the City with an opinion of counsel, substantially in the form of Exhibit H, with such changes as may be required by or acceptable to Corporation Counsel. If any Developer Party has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit H, such opinions shall be obtained by such Developer Party from its general corporate counsel.

5.10 **Evidence of Prior Expenditures.** Developer Parties will have provided evidence satisfactory to DPD of the Prior Expenditures as provided in Section 4.06.

5.11 **Financial Statements.** Developer Parties will have provided Financial Statements to DPD for their fiscal year 2018, and their most recently available unaudited interim Financial Statements.

5.12 **Additional Documentation.** Rental Owner will have provided documentation to DPD, satisfactory in form and substance to DPD concerning Rental Owner's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Rental Owner for leaseholds in the Project, if any.

5.13 **Environmental Audit.** Rental Owner will have provided DPD with copies of all phase I environmental audits completed with respect to the Property, if any, and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. If environmental issues exist on the Property, the City will require written verification from the Illinois Environmental Protection Agency that all identified environmental issues have been or will be resolved to its satisfaction.

5.14 **Entity Documents; Economic Disclosure Statement.** LAC shall provide a copy of its current Articles of Incorporation, with all amendments, containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state or incorporation and all other states in which LAC is qualified to do business; its current bylaws; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such organizational documentation as the City may request. Rental Owner shall provide comparable organizational documentation.

Each of Developer Parties has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer Parties 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 Parties 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 **Litigation.** Developer Parties will provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving Developer Parties or any Affiliate of Developer Parties (excluding any limited partners of the Rental Owner) specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

SECTION SIX: AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors.

(a) DPD acknowledges that Rental Owner has selected Linn-Mathes, Inc. or an Affiliate as the General Contractor for the Block 5 Project. Rental Owner will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago.

(b) Rental Owner must submit copies of the Construction Contract to DPD as required under Section 6.02 below. Upon the written request of the City, Rental Owner will provide photocopies of all subcontracts entered or to be entered into in connection with the Project within five (5) Business Days of the execution thereof. The Rental Owner must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by the City and all requisite permits have been obtained.

6.02 **Construction Contract.** Prior to the execution thereof, Rental Owner must deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project, for DPD's prior written approval. Following execution of such contract by Rental Owner, the General Contractor and any other parties thereto, Rental Owner must 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.** Prior to commencement of construction of any work in the public way, Rental Owner will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the bond form attached as Exhibit I. The City will be named as obligee or co-obligee on such bond.

6.04 **Employment Opportunity.** Rental Owner will contractually obligate and cause the General Contractor to agree and contractually obligate 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 one 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 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION SEVEN: COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction.

(a) Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Rental Owner's written request, DPD will issue to Developer Parties a recordable certificate of completion of construction in substantially the form attached hereto as Exhibit N (the "**Certificate**") certifying that Developer Parties have fulfilled their obligations to complete the Project in compliance with the terms and conditions of this Agreement. DPD will respond to Rental Owner's written request for a Certificate within 30 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 Parties in order to obtain the Certificate. Rental Owner may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

(b) Each Developer Party acknowledges and understands that the City will not issue a Certificate until (i) the City's Monitoring and Compliance unit has determined in writing that Rental Owner is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement, (ii) the Project, including all 102 residential units, the parking spaces and all related improvements, has been completed, (iii) at least 80% of

the residential units have been leased, and (iv) Developer Parties have received a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer Parties have complied with building permit requirements.

7.02 Effect of Issuance of Certificate; Continuing Obligations.

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

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.18 (Real Estate Provisions), and Section 8.19 (Affordability Requirements) 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. The other executory terms of this Agreement that remain after the issuance of the Certificate will be binding only upon each Developer Party or a permitted assignee of such Developer Party who, as provided in Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of such Developer Party's rights under this Agreement and assume such Developer Party's liabilities hereunder.

7.03 Failure to Complete. If Developer Parties fail to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies, subject in each case to Section 15 hereof:

(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 such 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 under Section 4.01, Rental Owner will reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer Parties, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any TIF Bonds.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD will provide Developer Parties, at their written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

**SECTION EIGHT: REPRESENTATIONS, WARRANTIES AND
COVENANTS OF DEVELOPER PARTIES.**

8.01 **General.** Each of Rental Owner and LAC represent, warrant, and covenant, as of the date of this Agreement as follows. Representations, warranties and covenants denoted (Rental Owner only) or (LAC only) shall be deemed to have been made only by Rental Owner or LAC, as applicable; otherwise, they shall be deemed to apply to both.

(a) LAC is an Illinois not-for-profit corporation, validly existing and in good standing (LAC only);

(b) Holsten and LAC are the sole members of Parkside, which is the sole member of the general partner of Rental Owner.

(c) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate LAC's Articles of Incorporation as amended and supplemented, its bylaws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which LAC is now a party or by which LAC or any of its assets is now or may become bound (LAC only); LAC has the right, power and authority to enter into, execute, deliver and perform this Agreement (LAC only);

(d) Rental Owner (i) is an Illinois limited partnership duly organized and validly existing in the State of Illinois, (ii) has the right, power and authority to enter into, execute, deliver and perform this Agreement, and (iii) has been duly authorized by all necessary limited partnership action to execute, deliver and perform its obligations under this Agreement, which execution, delivery and performance does not and will not violate its certificate of limited partnership or partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Rental Owner is now a party or by which it may become bound (Rental Owner only);

(e) Rental Owner has acquired and will maintain good and merchantable leasehold title, and fee simple title, as the case may be, to the Property (and improvements) free and clear of all liens except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget (Rental Owner only);

(f) Rental Owner is now, and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which Rental Owner has no further economic interest in the Project, will remain solvent and able to pay its debts as they mature (Rental Owner only);

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

(h) Rental Owner has or will acquire as necessary and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project (Rental Owner only);

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

would materially adversely affect its ability to comply with its obligations under this Agreement (Rental Owner only);

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

(k) prior to the issuance of the Certificate, if it would materially adversely affect Rental Owner's ability to perform its obligations under this Agreement, Rental Owner will not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or in accordance with Section 4.05; (3) enter into any transaction outside the ordinary course of Rental Owner's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing or tax credit equity investment for the Project); or (5) enter into any transaction that would cause a material and detrimental change to Rental Owner's financial condition; provided, however, this section shall not apply to any commercial leases entered into in the ordinary course of business, it being acknowledged that Rental Owner shall have the right to enter into commercial leases in the ordinary course of business for all or any portion of the Property on such terms as are determined by Rental Owner (Rental Owner only);

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

(m) None of the Developer Parties has 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 under 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 such Developer Party in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended; and

(n) None of the Developer Parties or any affiliate thereof 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 subsection only, "affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

8.02 **Covenant to Redevelop.** Upon DPD's approval of the Scope Drawings and

Plans and Specifications as provided in Section 3.02, and DPD's approval of the Project Budget as provided in Section 3.03, and Rental Owner's receipt of all required building permits and governmental approvals, Developer Parties will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the PD, the CHA Redevelopment Agreement, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Rental Owner.

The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee of the Property, or a portion thereof, unless terminated in whole or in part by the City, acting through DPD, pursuant to a written instrument executed pursuant to Section 7.02 and recorded against the Property, or any portion thereof.

8.03 **Redevelopment Plan.** Developer Parties represent that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 **Use of City Funds.** City Funds disbursed to Developer Parties will be used by Developer Parties solely to pay for or reimburse Developer Parties for their payment for the TIF-Funded Improvements as provided in this Agreement.

8.05 **Other Bonds.** At the request of the City, Developer Parties will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer Parties or the Project. Developer Parties will 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 its preparation of an offering statement with respect thereto. None of the Developer Parties will have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer Parties that is determined to be false and misleading.

8.06 **Employment Opportunity.**

(a) Rental Owner covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 and Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and 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 one subcontractor to satisfy, such obligations shall not result in a default or a termination of the Agreement or require payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis. Rental Owner will submit to DPD a plan describing their compliance program prior to the Closing Date.

(b) Rental Owner will deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Sections 8.08, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, Rental Owner will also deliver a plan to DPD which will outline, to DPD's satisfaction, the manner in which

Developer Parties will correct any shortfall.

8.07 **Employment Profile.** Rental Owner will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.08 **Prevailing Wage.** The Rental Owner covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the federal government pursuant to the Davis-Bacon Act, to all their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will 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 federal prevailing wage rates are revised, the revised rates will apply to all such contracts. Upon the City's request, Rental Owner will provide the City with copies of all such contracts entered into by any Developer Party or the General Contractor to evidence compliance with this Section 8.08.

8.09 **Arms-Length Transactions.** Unless DPD has given its prior written consent with respect thereto, no Affiliate of a Developer Party 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 Parties will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by a Developer Party and reimbursement to such Developer Party for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.10 **No Conflict of Interest.** Under Section 5/11-74.4-4(n) of the Act, each Developer Party 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 Parties with respect thereto, (a "**City Group Member**") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will 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 any Developer Party, the Property, the Project, or to any Developer Party's actual knowledge, any other property in the Redevelopment Area.

8.11 **Disclosure of Interest.** None of the Developer Parties' counsel has direct or indirect financial ownership interest in a Developer Party, the Property, or any other feature of the Project.

8.12 **Financial Statements.** Rental Owner will obtain and provide to DPD Financial Statements for Rental Owner's fiscal year ended 2018, and each yearly thereafter for the Term of the Agreement. In addition, if requested by DPD, Rental Owner will 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.

8.13 **Insurance.** Solely at their own expense, Developer Parties will comply with all provisions of Section 12 hereof.

8.14 **Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, and subject to subsection (b) below, Developer Parties agree to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Project, or any fixtures that are

or may become attached thereto and which are owned by a Developer Party, which create, may create, or appear to create a lien upon all or any portion of the Project; provided however, that if such Non-Governmental Charges may be paid in installments, Developer Parties 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 Parties will furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other evidence satisfactory to DPD, evidencing payment of the Non-Governmental Charges in question.

(b) Right to Contest. Developer Parties will have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer Parties' covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.14); 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 will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer 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 Charges and all interest and penalties upon the adverse determination of such contest.

8.15 Developer's Liabilities. No Developer Party will enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Each Developer Party will immediately notify DPD of any and all events or actions which may materially affect such party's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project.

8.16 Compliance with Laws. To the best of each Developer Party's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer Parties will provide evidence satisfactory to the City of such current compliance.

8.17 Recording and Filing. Rental Owner will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Rental Owner will pay all fees and charges incurred in connection with any such recording. Upon recording, Rental Owner will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 **Real Estate Provisions.**

(a) **Governmental Charges.**

(i) **Payment of Governmental Charges.** Subject to subsection (ii) below, Developer Parties agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer Parties, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer Parties 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 Parties, the Property, or the Project, including but not limited to real estate taxes.

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

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

(y) Developer Parties will furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer 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 Parties' Failure To Pay Or Discharge Lien.** If Developer Parties fail to pay or contest any Governmental Charge or to obtain discharge of the same as required by this Section 8.18, Rental Owner will advise DPD thereof in writing, at which time DPD may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer Parties under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to DPD by Developer Parties. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer Parties fail to pay any Governmental Charge, the City, in its sole discretion, may require Developer Parties to submit to the City audited

Financial Statements at Developer Parties' own expense.

8.19 Affordability Requirements.

(a) Affordable Units. Of the 102 units comprising the Project, 33 units (or 32% of the Project's units) shall be CHA-RAD LIHTC Units affordable to households with incomes not greater than 50% AMI, 31 units (or 30% of the Project's units) shall be affordable to households with AMI not greater than 60% AMI; 2 units shall be CHA-RAD Units affordable to households with incomes not greater than 80% AMI; and 36 units shall not have any affordability restrictions.

(b) CHA-RAD LIHTC Units. The Developer Parties agree and covenant to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain City Regulatory Agreement executed by the Rental Owner and DPD as of the date hereof shall govern the terms of the Developer Parties' obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(i) During the term of the RAD Use Agreement and HAP Contract, the CHA-RAD LIHTC Units shall be operated and maintained solely as residential rental housing;

(ii) All of the CHA-RAD LIHTC Units shall be available for occupancy to and be occupied solely by Low Income Families (as defined below) upon initial occupancy; and

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

(iv) As used in this Section 8.19, the following terms have the following meanings:

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

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

(c) The covenants set forth in this Section 8.19 shall run with the land and be binding upon any transferee.

(d) The City and the Rental Owner may enter into a separate agreement to implement the provisions of this Section 8.19;

8.20 Job Readiness Program. If requested by the City, Rental Owner will use its

best efforts to encourage its tenants at the Project to participate in job readiness programs established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

8.21 **Broker's Fees.** Rental Owner has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.22 **No Business Relationship with City Elected Officials.** Rental Owner acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Rental Owner has read and understands such provision. Under Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080(b)(2) of the Municipal Code), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. Rental Owner 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 thereby.

8.23 **Environmental Features.** The design of the Project incorporates the following environmentally-friendly elements for which Rental Owner shall be responsible: permeable pavers covering 100% of the outdoor surface parking spaces; high efficiency heating and hot water; high insulation values in the windows and walls using environmentally-friendly insulation; insulated domestic hot water tanks, a gearless elevator, and high-performance HVAC systems.

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

8.25 **Survival of Covenants.** All warranties, representations, covenants and agreements of Rental Owner contained in this Section 8 and elsewhere in this Agreement are true, accurate and complete at the time of Rental Owner's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Section 7 upon the issuance of the Certificate) will be in effect throughout the Term of the Agreement.

SECTION NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

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

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

SECTION TEN: DEVELOPER PARTIES' EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time-to-time (the "**Human Rights Ordinance**"). Each Employer must 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 setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, must state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101 et seq. (2002 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project (other than for remediation and demolition entered into prior to the date of this Agreement), and will 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 will 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 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

10.02 City Resident Construction Worker Employment Requirement.

(a) Rental Owner agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Rental Owner, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Rental Owner, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

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

(c) **"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.

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

(e) Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of DPD in triplicate, which will 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.

(f) Upon 2 Business Days prior written notice, Rental Owner, the General Contractor and each subcontractor will provide full access to their employment records related to the Construction of the Project to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Rental Owner, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the Construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

(h) Good faith efforts on the part of Rental Owner, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting

of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

(i) When work at the Project is completed, in the event that the City has determined that Rental Owner has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual residents of the City 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 undertaken by Rental Owner (and specifically excluding any tenant improvements which are not undertaken by Rental Owner) (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Rental Owner to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will 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 Rental Owner, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Rental Owner pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Rental Owner must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Rental Owner will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project (other than contracts for remediation and demolition entered into prior to the date of this Agreement).

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

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

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

(b) For purposes of this Section 10.03 only:

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

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

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

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

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Rental Owner shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this

subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

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

SECTION ELEVEN: ENVIRONMENTAL MATTERS

11.01 **Environmental Matters.** Rental Owner hereby represents and warrants to the City that Rental Owner has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws (taking into account the anticipated issuance and applicability of any NFRLs issued with respect to the Property), this Agreement and all Exhibits, the Scope Drawings, the Plans and Specifications and all amendments thereto, the TIF Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, Rental Owner agrees to indemnify, defend and hold the City (except with respect to Existing Materials and any gross negligence or wanton or willful misconduct by 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 Rental Owner: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from all or any portion of the Property, 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 Rental Owner or any of its Affiliates under any Environmental Laws relating to the Property.

This Section shall not be construed to require Rental Owner to assume any of the obligations of the CHA with respect to remediation work required to be performed by Parkside on behalf of the CHA, and Rental Owner may exercise such rights and remedies it may have to

enforce the CHA's obligation to cause the performance of the work, provided, however, that this sentence shall not be construed to limit Rental Owner's indemnification obligations hereunder.

SECTION TWELVE: INSURANCE

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

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Rental Owner undertakes any construction, including improvements, betterments, and/or repairs, the Rental Owner must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

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

(d) Other Requirements: The Rental Owner must furnish the City of Chicago, Department of Planning Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Rental Owner must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Rental Owner is not a waiver by the City of any requirements for the Rental Owner to obtain and maintain the specified coverages. The Rental Owner shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Rental Owner of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

SECTION THIRTEEN: INDEMNIFICATION

13.01 **General Indemnity.** Each of Developer Parties agrees to severally, but not jointly, indemnify, pay 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 (arising out of a third party action against the City), 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 by a third party in any manner relating to or arising out of:

- (i) Such Developer Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (ii) Such Developer Party's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project feature or improvement; or
- (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer Party or any of its Affiliates or any of their respective agents, employees, contractors or persons acting under the control or at the request of such Developer Party or any of its Affiliates; or
- (iv) a Developer Party's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (v) any act or omission by such Developer Party or any of its Affiliates.

provided, however, that no Developer Party shall have any 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, such Developer Party will contribute the maximum portion that it is permitted to pay and satisfy under 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 will survive the termination of this Agreement.

SECTION FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 **Books and Records.** Developer Parties will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs 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 Rental Owner's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Rental Owner's offices for inspection, copying, audit and examination by an authorized representative of the City, at Rental Owner's expense. No Developer Party will pay for salaries or fringe benefits of auditors or examiners. Developer Parties must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by a Developer Party with respect to the Project.

14.02 **Inspection Rights.** Upon 3 Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION FIFTEEN: DEFAULT AND REMEDIES

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Sections 15.03 and 15.04, will constitute an "Event of Default" by a Developer Party, as applicable, hereunder (provided, however, the occurrence of an Event of Default by Rental Owner shall not be deemed to constitute an Event of Default by LAC and the occurrence of an Event of Default by LAC shall not be deemed to constitute an Event of Default by Rental Owner):

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

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

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by a Developer Party to create, any lien or other encumbrance upon the Property or the Project, 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 a Developer Party or for the liquidation or reorganization of a Developer Party, or alleging that a Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of a Developer Party's debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the

commencement of any analogous statutory or non-statutory proceedings involving a Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against a Developer Party for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Rental Owner or LAC; or

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

For purposes of Section 15.01(j) hereof, a natural person with a material interest in a Developer Party is one owning in excess of thirty-three percent (33%) of such party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest. Notwithstanding anything to the contrary contained herein, City hereby agrees that, in addition to the cure rights set out in Section 15.04 below, any cure of any default made or tendered by one or more of Rental Owner's limited partners shall be deemed to be a cure by the Rental Owner and/or Developer Parties and shall be accepted or rejected on the same basis as if made or tendered by Rental Owner and/or Developer Parties.

15.02 Remedies. Subject to Section 15.04, upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer Parties are or shall be parties and/or suspend disbursement of City Funds, except as otherwise provided in Section 4.03(c)(vii). The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. Without limiting the generality of the foregoing, with respect to Events of Defaults by a Developer Party prior to the issuance of a Certificate, the City shall be entitled to seek reimbursement of City Funds from Developer Parties. If an Event of Default attributable to LAC's acts or omissions occurs, in no event shall the City be entitled to exercise remedies against Rental Owner. If an Event of Default attributable to Rental Owner's acts or omissions occurs, in no event shall the City be entitled to exercise remedies against LAC.

15.03 Curative Period.

(a) In the event a Developer Party fails to perform a monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless the applicable party has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event a Developer Party fails to perform a non-monetary covenant which it is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless the applicable party (or the non-defaulting Developer Party) has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, the applicable party will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

15.04 **Right to Cure by the Limited Partner and/or CIBC.** If a default occurs under this Agreement and as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, or any other remedy under this Agreement, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Limited Partner and CIBC, and the Limited Partner (including, without limitation, by exercise of management take over rights of the Owner under its partnership agreement) and CIBC shall have the right (but not the obligation) to cure such default as follows:

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

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

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

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

(e)(1) If such non-monetary default would be an Event of Default set forth in Section 15.01(e), (f), (g), (i) or (j) hereof (each such default being a "Personal Developer Default"), the Limited Partner or CIBC (as applicable and in that strict order as more fully provided in this Section 15.04(e) below and not otherwise, the "Electing Party"), may provide written notice (the "Assumption Notice") to the City and the Limited Partner or CIBC (as applicable, the "Non-Electing Parties") within 30 days of receipt of notice from the City of such Personal Developer Default, as more fully provided in Section 15.04(e)(2) below. If notice is delivered within said 30-day period, the Electing Party shall, in accordance with Section 15.04(e)(2) below, either cure or cause to be cured such Personal Developer Default by the assignment pursuant to Section 18.15 hereof of all of the Developer Parties' rights, obligations and interests in this Agreement to the Electing Party or any other party agreed to in writing by CIBC and the City, which assumption shall be deemed to cure the Personal Developer Default.

(2) Upon receipt by the City and CIBC of an Assumption Notice from the Limited Partner pursuant to subsection (e)(1) above, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of the Developer Parties' rights, obligations and interests in this Agreement (but in no event longer than 90 days without the written consent of the City and CIBC). If the Limited Partner does not (i) provide such Assumption Notice within the 30-day period specified in subsection (e)(1), or (ii) identify to the City and the Non-Electing Parties any other party (which may be an affiliate of the Limited Partner other than any of the Developer Parties) to assume the Developer Parties' rights, obligations and interests in this Agreement within 30 days from the date of the Assumption Notice, then CIBC shall have 30 days to cure such Personal Developer Default by enforcing the assignment made in accordance with the provisions of Section 18.14 hereof, of all of the Developer Parties' rights, obligations and interests in this Agreement to CIBC, or an affiliate thereof, or any other party agreed to in writing by CIBC and the City.

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

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

(h) The City agrees that at any time during which an Event of Default has occurred under the Lender Financing Documents, during the period that CIBC is diligently and continuously pursuing actions or remedies under the Lender Financing, with or without the Developer Parties, which are intended to cause substantial completion of the Project, and, as part of such actions or remedies, continues to fund or make advances to pay Project costs, the

City shall likewise forbear from exercising its remedies under Section 15.02.

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

SECTION SIXTEEN: MORTGAGING OF THE PROJECT

16.01 Mortgaging of the Project. All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit K (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "**Existing Mortgages**." Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "**New Mortgage**." Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City including any mortgage listed on Exhibit G is referred to herein as a "**Permitted Mortgage**." It is hereby agreed by and between the City and the Developer Parties as follows:

(a) If a mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such Developer Party's interest hereunder in accordance with Section 18.14 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land specified in Section 7.02.

(b) If any mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by 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 a Developer Party's interest hereunder in accordance with Section 18.14 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of a "Developer Party" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of a Developer Party's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of such Developer Party which occurred prior to the time such party succeeded to the interest of such Developer Party under this Agreement, nor shall the City have the right to record a lien against or otherwise enforce any remedies hereunder against the Project, in which case such Developer Party will be solely responsible. If the City placed a lien on the Project pursuant to Section 15.02 hereof in connection with an Event of Default of a Developer Party which accrued prior to the time such party succeeded to the interest of the Developer Party under this Agreement, the City shall release such lien upon written request to do so by such succeeding mortgagee. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of such Developer Party's interest

hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land specified in Section 7.02.

(c) Prior to the issuance by the City to Developer Parties of a Certificate under Section 7 hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of DPD. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of DPD is not required for any such New Mortgage.

SECTION SEVENTEEN: NOTICES

17.01 **Notices.** All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (C) be given at the following respective addresses:

If to the City:	City of Chicago Department of Planning and Development Attn: Commissioner 121 North LaSalle Street, Room 1000 Chicago, IL 60602 312/744-2271 (Fax)
With Copies To:	City of Chicago Corporation Counsel Attn: Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602 312/744-8538 (Fax)
If to a Developer Party:	Parkside Four Phase II, LP c/o Holsten Real Estate Development Corporation 1020 W. Montrose Avenue Chicago, Illinois 60613 Attn: Peter M. Holsten Fax: 312-337-4592
With copy to:	Applegate & Thorne-Thomsen, P.C. 425 S. Financial Place, Suite 1900 Chicago, Illinois 60605 Attention: Nicole Jackson, Esq. Fax: 312/491-4411
And to:	Edwin F. Mandel Legal Aid Clinic 6020 S. University Avenue Chicago, IL 60637 Attn: Jeff Leslie, Esq.
And to:	Cabrini Green LAC Community Development Corporation 460 West Division Chicago, IL 60610

Attn: President

And to: Stratford Capital Group LLC
100 Corporate Place, Suite 404
Peabody, MA 01960
Attn: Asset Management – Parkside Four Phase II

If to Existing Mortgagee: CIBC Bank USA
120 South LaSalle Street, Suite 400
Chicago, IL 60603
Attn: Cheryl Wilson

If to Limited Partner: Stratford Parkside Chicago Investors Limited Partnership
c/o Stratford Capital Group LLC
100 Corporate Place, Suite 404
Peabody, MA 01960
Attn: Asset Management – Parkside Four Phase II

With a copy to: Holland & Knight LLP
St. James Ave., 11th Floor
Boston, MA 02116
Attn: Jonathan I. Sirois, Esq.

If to CHA: Chicago Housing Authority
60 East Van Buren
Chicago, Illinois 60605
Attn: Chief Executive Officer

With copy to: Chicago Housing Authority
Office of the General Counsel
60 East Van Buren, 12th Floor
Chicago, Illinois 60605
Attn: Chief Legal Officer

or at such other address or telecopier/fax number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 **Developer Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by a Developer Party will comply with the following requirements:

(a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);

(b) expressly state the particular document and section thereof relied on by Developer Parties to request City or DPD approval;

(c) if applicable, note in bold type that failure to respond to such Developer Party's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD;

(d) if applicable, state the outside date for the City's or DPD's response; and

(e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of such Developer Party's request.

SECTION EIGHTEEN: ADDITIONAL PROVISIONS

18.01 **Amendments.** Except as provided in this Section 18.01, and except for changes or amendments that are otherwise expressly identified as being in the discretion of the Commissioner, this Agreement and the Schedules and Exhibits attached hereto may not be materially amended without the written consent of all parties. In addition to consents and discretion expressly identified herein, the Commissioner, in her sole discretion, may amend or otherwise revise: (a) any exhibits containing legal descriptions in order to correct a surveyor's, scrivener's or clerical error in such a legal description, or to reflect any new subdivision of property index numbers, provided that such correction does not have a material effect on any portion of the Project; and (b) Exhibit B-2 to adjust unit locations and types; (c) Exhibits C-1 and C-2 in connection with updated budgets and/or the approval of Change Orders resulting in changes in the Project Budget in accordance with Section 3.05; (d) Exhibit D to adjust allocations between line items or to add new line items permitted under the Plan; (e) Exhibit K to reflect the terms of the final project financing, so long as such financing is not materially inconsistent with that contemplated hereunder; and (f) Exhibit G to correct inadvertent omissions or permit other minor title encumbrances not in the nature of a lien. Amendments required in clauses (b), (c) and (e) shall also require the Rental Owner's consent. The City in its sole discretion, may amend, modify or supplement the Redevelopment Plan. For purposes of this Agreement, Developer Parties are only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter.

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

18.04 **Further Assurances.** Rental Owner and City each agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior

waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City or the Developer Parties, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer Parties.

18.08 **Titles and Headings.** The Section, section and paragraph headings contained herein are for convenience of reference only and are not intended to limit, vary, define or expand the content thereof.

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.11 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.12 **Governing Law.** This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

18.13 **Form of Documents.** All documents required by this Agreement to be submitted, delivered or furnished to the City will be in form and content satisfactory to the City.

18.14 **Assignment.** Prior to the issuance by the City to Developer Parties of the Certificate, Developer Parties 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, however, that the Developer Parties may collaterally assign their respective interests in this Agreement to any of their collective or respective lenders identified to the City as of the Closing Date if any such lenders require such collateral assignment. Any successor in interest to Developer Parties

under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Each Developer Party hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 **Binding Effect.** This Agreement is binding upon Rental Owner, LAC, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Rental Owner, LAC, the City and their respective successors and permitted assigns (as provided herein).

18.16 **Force Majeure.** Neither the City nor Developer Parties nor any successor in interest to either of them will 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, war, terrorism, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. Such force majeure events shall also include the City's failure to complete the public improvements within the Property which, at the Closing Date, the City has agreed to undertake within a construction schedule mutually acceptable to the City and the Rental Owner, and the CHA's failure to complete any environmental remediation work that is the CHA's responsibility under applicable agreements between the CHA and Parkside, if applicable. The individual or entity relying on this section with respect to any such delay will, 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 **Exhibits and Schedules.** All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.18 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Rental Owner is required to provide notice under the WARN Act, Rental Owner will, 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 Rental Owner has locations in the State. Failure by Rental Owner to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.19 **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.

18.20 **Construction of Words.** The use of the singular form of any word herein

includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.21 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day.

18.22 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.23 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

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

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

[The remainder of this page is intentionally left blank and the signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Parkside Four Phase II Rental Project Redevelopment Agreement to be signed on or as of the day and year first above written.

CITY OF CHICAGO

By: _____

Maurice D. Cox, Commissioner,
Department of Planning and Development

PARKSIDE FOUR PHASE II, LP,
an Illinois limited partnership

By: PARKSIDE FOUR II, LLC,
an Illinois limited liability company
Its general partner

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

By: Holsten Real Estate Development Corporation,
an Illinois corporation, a member

By: _____
Name: Peter M. Holsten
Title: President

By: Cabrini Green LAC Community Development Corporation,
an Illinois not-for-profit corporation, a member

By: _____
Name: _____
Title: President

CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation, a member

By: _____
Name: _____
Title: President

IN WITNESS WHEREOF, the parties hereto have caused this Parkside Four Phase II Rental Project Redevelopment Agreement to be signed on or as of the day and year first above written.

CITY OF CHICAGO

By: _____
Maurice D. Cox, Commissioner,
Department of Planning and Development

PARKSIDE FOUR PHASE II, LP,
an Illinois limited partnership

By: PARKSIDE FOUR II, LLC,
an Illinois limited liability company
Its general partner

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

By: Holsten Real Estate Development Corporation,
an Illinois corporation, a member

By: _____
Name: Peter M. Holsten
Title: President

By: Cabrini Green LAC Community Development Corporation,
an Illinois not-for-profit corporation, a member

By: Carol Steele
Name: Carol Steele
Title: President

CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation, a member

By: Carol Steele
Name: Carol Steele
Title: President

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Peter M. Holsten, personally known to me to be the president of Holsten Real Estate Development Corporation, an Illinois corporation, a member of Parkside Associates, LLC, an Illinois limited liability company ("Parkside"), the sole member of Parkside Four II, LLC, an Illinois limited liability company (the "General Partner"), the general partner of Parkside Four Phase II, LP, an Illinois limited partnership (the "Rental 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 severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of Parkside, on behalf of the General Partner, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Rental Owner, for the uses and purposes therein set forth.

Given under my hand and official seal this 23 day of Jan, 2020



(SEAL)

Bridget A. White
Notary Public

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Carol Steele, personally known to me to be the President of Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member of Parkside Associates, LLC, an Illinois limited liability company ("Parkside"), the sole member of Parkside Four II, LLC, an Illinois limited liability company (the "General Partner"), the general partner of Parkside Four Phase II, LP, an Illinois limited partnership (the "Rental 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 severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by the members of Parkside, on behalf of the General Partner, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Rental Owner, for the uses and purposes therein set forth.

Given under my hand and official seal this 23 day of Jan, 2020



(SEAL)

Bridget A. White
Notary Public

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Carol Steele, personally known to me to be the President of Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("LAC"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by the Board as the free and voluntary act of such person, and as the free and voluntary act and deed of LAC, for the uses and purposes therein set forth.

Given under my hand and official seal this 23 day of Jan, 2020

(SEAL)



Bridget A. White
Notary Public

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

See attached.

Exhibit "A".

Legal Description.

Near North Redevelopment Project Area.

A tract of land comprised of a part of Section 4, and a part of the east half of Section 5, all in Township 39 North, Range 14 East of the Third Principal Meridian, which tract of land is more particularly described as follows:

beginning at the intersection of the east line of North Halsted Street with the south line of West North Avenue in Section 4 aforesaid; thence east along said south line to the northeast corner of Lot 3 in Ogden and Towne's Subdivision of Lot 158 in Butterfield's Addition to Chicago, in aforesaid Section 4; thence south along the east line of said Lot 3 to the southeast corner thereof (being also a point on the north line of a vacated alley); thence southeasterly to the intersection of the centerline of said vacated alley with a northeasterly line of the Chicago Transit Authority right-of-way; thence east and northeasterly along said centerline to an intersection with the northward projection of an east line of said right-of-way; thence south along said northward projection and said east line to an intersection with a north line of said right-of-way; thence east along said north line to an intersection with the centerline of vacated North Burling Street; thence south along said centerline to an intersection with a north line of said right-of-way;

thence east along said north line, crossing the east half of vacated North Burling Street, to an intersection with an east line of said right-of-way; thence south along said east line to an intersection with a north line of said right-of-way; thence east along said north line, passing into vacated North Orchard Street, to an intersection with the centerline of said vacated street; thence north along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Orchard Street, to an intersection with the centerline of a vacated alley; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Frontier Avenue; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Frontier Avenue and crossing North Ogden Avenue, to an intersection with the west line of North Larrabee Street; thence continuing east along said north line extended to an intersection with the east line of North Larrabee Street; thence north along said east line, crossing a public alley to an intersection with the south line of West North Avenue; thence east along said south line, crossing North Mohawk Street, North Cleveland Avenue, North Hudson Avenue, North Sedgwick Street, and North Orleans Street to an intersection with the east line of North Orleans Street; thence south along said east line to the northwest corner of Lot 90 in W. B. Ogden's Subdivision of the west half of Lots 120 and 125, all of Lots 123, 124, and Lot 127 to Lot 134, inclusive, and Lot 137 of Bronson's Addition to Chicago, in aforesaid Section 4; thence east along the north line of said Lot 90 to the northeast corner thereof; thence south along the east line of Lots 90 through 51, inclusive, in aforesaid W. B. Ogden's Subdivision and along the east line of Lots 1 to 4, inclusive, in Dixon's Subdivision of the east half of Lot 135 of aforesaid Bronson's Addition to Chicago, and the east line of Lots 8 to 5, inclusive, in the subdivision of Lot 136 in said Bronson's Addition, and the east line and east line extended south of Lots 25 to 17, inclusive, of W. B. Ogden's Subdivision of Lots 138, 139 and resubdivision of Lots 142 to 151 of aforesaid Bronson's Addition, to an intersection with the centerline of a public alley; thence west along said centerline to an intersection with the northward extension of the centerline of a public alley lying between said W. B. Ogden's Subdivision, the resubdivision of Lots 12 to 16 and 50 to 54 in the subdivision of Lots 138 and 139 and resubdivision of Lots 142 to 151, of aforesaid Bronson's Addition; thence south along said northward projection, said centerline and the southward extension thereof, crossing West Schiller Street to an intersection with the south line of said street; thence east along said south line to the northeast corner of Lot 25 in the subdivision of Lots 142 to 151, 154 to 156, 163 to 165, 168 to 173, 176 and 178 to 183, of aforementioned Bronson's Addition; thence south along the east line of Lot 25 and along the east

line of Lot 18 and the southward extension thereof in aforementioned subdivision, crossing a public alley, to an intersection with the north line of West Evergreen Avenue; thence east along said north line, crossing North Park Avenue and a vacated alley, to an intersection with the west line of North Wells Street thence south along said west line extended south and said west line, crossing West Evergreen Avenue, West Goethe Street and West Scott Street to an intersection with the north line of West Division Street; thence west along said north line to an intersection with an east line of the aforesaid right-of-way; thence south, crossing West Division Street to the intersection of said east line of right-of-way with the south line of West Division Street; thence south along said east line, being also the east line of Lot 29 in the subdivision of Block 3 of Johnston, Roberts and Storr's Addition to Chicago, to the southeast corner of said lot; thence west along the south line of Lots 29 through 26, inclusive, in said subdivision, to an intersection with the east line of North Orleans Street; thence south along said east line, crossing vacated West Elm Street, to the southwest corner of Lot 2 in the County Clerk's Division of Block 6 of Johnston, Roberts and Storr's Addition to Chicago; thence east along the south lines of Lot 2 and Lot 3 in said division to an intersection with a westerly line of the aforementioned right-of-way, said westerly line being a curved line convex to the east; thence southeasterly along said westerly line to an intersection with the north line of West Hill Street; thence east along said north line, crossing vacated North Franklin Street and vacated alleys to an intersection with the west line of North Wells Street; thence south along said west line extended south and along said west line, crossing West Hill Street, vacated West Wendell Street and West Oak Street, to an intersection with the south line of West Oak Street; thence west along said south line crossing vacated alleys and vacated North Franklin Street to the northeast corner of Lot 1 in the Assessor's Division of Lots 5 to 8 in the subdivision of Block 19 of Johnston, Roberts and Storr's Addition; thence south along the east line of Lots 1 and 10 in said division, and the southward extension of said east line to an intersection with the centerline of West Walton Street; thence west along said centerline to an intersection with the northward extension of the east line of the aforementioned right-of-way; thence south along said east line and said east line extended south, crossing West Walton Street, a public alley and West Locust Street, to an intersection with the south line of West Locust Street; thence west along said south line crossing public alleys and North Orleans Street, to an intersection with the east line of North Sedgwick Street; thence south along said east line to an intersection with the north line of West Chicago Avenue; thence west along said north line extended west and along said north line, crossing North Sedgwick Street, North Hudson Avenue, North Cleveland Avenue, North Cambridge Avenue and North Larrabee Street to an intersection with the west line of said North Larrabee Street; thence north along said west line to an intersection with the southwesterly line of North Kingsbury Street; thence northwesterly along said

southwesterly line, crossing vacated North Branch Street, to the southeast corner of Lot 10 in Block 96 of Elston's Addition to Chicago; thence southwesterly along the southeasterly line of said Lot 10 to the southwest corner thereof; thence northwesterly along the southwesterly line of Block 96, to the northwest corner of Lot 1 in said block; thence northwesterly, crossing vacated West Haines Street, to the southwest corner of Lot 7 in Block 85 of Elston's Addition, aforesaid; thence northwesterly along the southwesterly line of said Block 85 to a westerly corner of Lot 5 in said block; thence northwesterly, crossing North Halsted Street and entering Section 5, aforesaid, to the southeast corner of Block 73 in Elston's Addition; thence northwesterly along the southwesterly line of said Block 73 to an intersection with the south line of West Division Street; thence northeasterly to the southwest corner of Lot 15, Block 71, in Chicago Land Company's Resubdivision of certain blocks in Elston's Addition; thence northerly, northwesterly and westerly along the southwesterly lines of Block 71 of Elston's Addition, aforesaid, to the northwest corner of Lot 1 in said Chicago Land Company's Resubdivision; thence northwesterly crossing West Evergreen Avenue, to the southwest corner of Lot 7, Block 62, in said Chicago Land Company's Resubdivision; thence northeasterly along the northwesterly line of said West Evergreen Avenue, crossing North Kingsbury Street, to an intersection with the west line of North Dayton Street; thence easterly to the intersection of the east line of North Dayton Street with the north line of West Evergreen Avenue; thence east along said north line and said north line extended east, crossing a public alley and North Halsted Street, and passing into Section 4 aforesaid, to an intersection with the southward extension of the east line of North Halsted Street; thence north along said east line, crossing vacated West Evergreen Avenue, vacated West Fair Place, vacated West Blackhawk Street, North Clybourn Avenue and vacated alleys, to the point of beginning, excepting from said tract that part of Section 4 bounded and described as follows:

beginning at the intersection of the east line of North Hudson Avenue with the south line of West Blackhawk Street; thence east along said south line crossing a vacated alley to an intersection with the west line of North Sedgwick Street; thence south along said west line crossing vacated West Schiller Street, West Evergreen Avenue, vacated and public alleys and West Goethe Street, to an intersection with the south line of West Goethe Street; thence west along said south line and along the south line of vacated West Goethe Street, crossing North Hudson Avenue to an intersection with the west line of North Hudson Avenue; thence south along said west line to an intersection with the north line of a 12 foot public alley; thence west along said north line to an intersection with the northwesterly line of the 12 foot public alley lying southeasterly and adjacent to Lots 1 to 6, inclusive, in the subdivision of Lots 18 and 19 in Butterfield's Addition in aforesaid Section 4; thence southwesterly along said

northeastward projection, and said northwesterly line and the southwestward projection thereof, to an intersection with the southeastward projection of the southwesterly line of said Lot 6 in said subdivision; thence northwesterly along said southeastward projection, and said southwesterly line and the northwestward projection thereof, crossing vacated West Goethe Street, to an intersection with the northwesterly line of vacated West Goethe Street (being also the southeasterly line of Lot 24, in the subdivision of Sublots 17 to 27, of Hein's Subdivision of Lots 7 and 20 in Butterfield's Addition to Chicago); thence southwesterly along said southeasterly line to the southwesterly corner of said Lot 24; thence northwesterly along the southwesterly line of said Lot 24 to an intersection with the east line of North Cleveland Avenue; thence north along said east line, crossing public and vacated alleys to an intersection with the south line of West Evergreen Avenue; thence east along said south line to an intersection with the southward projection of the east line of North Hudson Avenue; thence north along said southward projection and along said east line crossing West Evergreen Avenue and vacated West Schiller Street, to the point of beginning, all in the City of Chicago, Cook County, Illinois.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

**EXHIBIT B-1
LEGAL DESCRIPTION OF PROPERTY**

PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THE GROUND LEASE EXECUTED BY THE CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LESSOR, AND CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION, AS LESSEE, DATED JANUARY 24, 2020 WHICH GROUND LEASE WAS RECORDED ON OR ABOUT THE DATE HEREOF, AND ASSIGNMENT AND ASSUMPTION OF GROUND LEASE FROM CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, AN ILLINOIS NOT-FOR-PROFIT CORPORATION TO PARKSIDE FOUR PHASE II, LP, AN ILLINOIS LIMITED PARTNERSHIP BY INSTRUMENT RECORDED ON OR ABOUT THE DATE HEREOF, WHICH LEASE DEMISES THE FOLLOWING DESCRIBED LAND FOR A TERM OF YEARS BEGINNING JANUARY 24, 2020, AND ENDING JANUARY 23, 2119:

LOTS 1, 2, 3 AND 4 IN BLOCK 5, IN PARKSIDE OF OLD TOWN - PHASE III, BEING A RESUBDIVISION OF PART OF BLOCKS 6 AND 7, ALL OF BLOCK 15 AND PART OF THE VACATED ALLEY LYING WITHIN BLOCK 7 AND ALL OF THE VACATED ALLEYS LYING WITHIN BLOCKS 6 AND 15, ALL IN ROGERS' SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH PART OF BLOCK 1 IN PARKSIDE OF OLD TOWN AND LOT 3 IN PARKSIDE OF OLD TOWN - PHASE II IN SECTION 4, AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS TRACT 1.

COMMON ADDRESSES:

551 W. ELM STREET;
1111 N. LARRABEE STREET;
1115 N. LARRABEE STREET;
1117 N. LARRABEE STREET;
1119 N. LARRABEE STREET;
1121 N. LARRABEE STREET;
531 W. ELM STREET;
535 W. ELM STREET;
532 W. HOBBIE STREET;
1106 N. CAMBRIDGE AVENUE;
1112 N. CAMBRIDGE AVENUE;
1118 N. CAMBRIDGE AVENUE

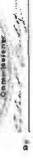
PIN: 17-04-311-041-0000

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT B-2

SITE PLAN

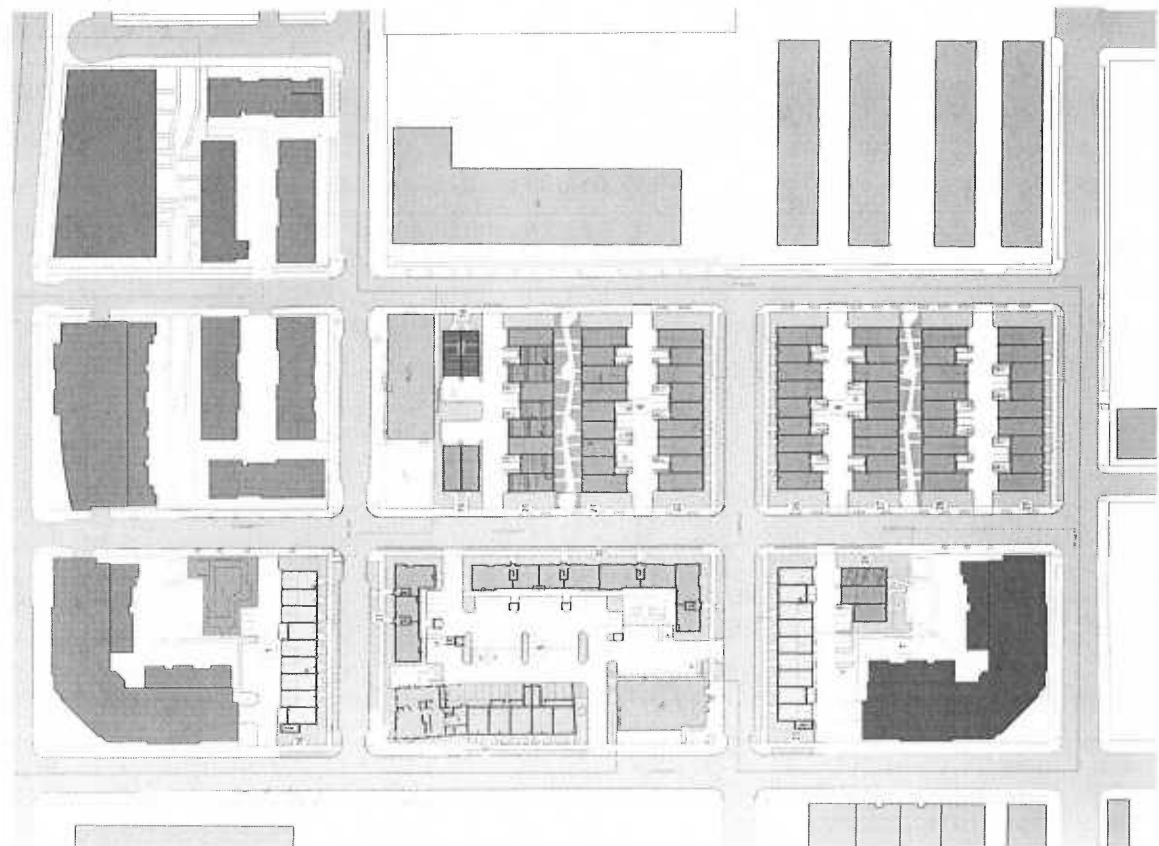
See attached.



CERTIFIED CORRECTIONS

NO.	AREA	DESCRIPTION	AREA	PERCENTAGE	PERMITS	REMARKS
1	100	100	100	100	100	100
2	100	100	100	100	100	100
3	100	100	100	100	100	100
4	100	100	100	100	100	100
5	100	100	100	100	100	100
6	100	100	100	100	100	100
7	100	100	100	100	100	100
8	100	100	100	100	100	100
9	100	100	100	100	100	100
10	100	100	100	100	100	100
11	100	100	100	100	100	100
12	100	100	100	100	100	100
13	100	100	100	100	100	100
14	100	100	100	100	100	100
15	100	100	100	100	100	100
16	100	100	100	100	100	100
17	100	100	100	100	100	100
18	100	100	100	100	100	100
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20	100	100	100	100	100	100
21	100	100	100	100	100	100
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23	100	100	100	100	100	100
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27	100	100	100	100	100	100
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44	100	100	100	100	100	100
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49	100	100	100	100	100	100
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52	100	100	100	100	100	100
53	100	100	100	100	100	100
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55	100	100	100	100	100	100
56	100	100	100	100	100	100
57	100	100	100	100	100	100
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59	100	100	100	100	100	100
60	100	100	100	100	100	100
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62	100	100	100	100	100	100
63	100	100	100	100	100	100
64	100	100	100	100	100	100
65	100	100	100	100	100	100
66	100	100	100	100	100	100
67	100	100	100	100	100	100
68	100	100	100	100	100	100
69	100	100	100	100	100	100
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81	100	100	100	100	100	100
82	100	100	100	100	100	100
83	100	100	100	100	100	100
84	100	100	100	100	100	100
85	100	100	100	100	100	100
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95	100	100	100	100	100	100
96	100	100	100	100	100	100
97	100	100	100	100	100	100
98	100	100	100	100	100	100
99	100	100	100	100	100	100
100	100	100	100	100	100	100

LEGEND
 6 BLOCKS
 1 BUILDING
 10 EXISTING BUILDINGS
 10 EXISTING BUILDINGS
 10 EXISTING BUILDINGS
 10 EXISTING BUILDINGS
 10 EXISTING BUILDINGS



4 Site Plan
 SCALE: 1/8\"/>

68120312
 88 0202010
 9512018

PAVON BONE BAUER
 ARCHITECTS
 200 N. LAUREL ST.
 CHICAGO, IL 60610
 (312) 527-1000

Parkside of Old Town
 Phase III
 Building 31
 9 Story Walkup
 335 W. Elm St.
 Chicago, IL 60601
 1725

Site Plan
A-101

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT C-1

PROJECT BUDGET

COSTS:	AMOUNT:
Construction Costs	\$32,137,687
Construction Contingency	\$1,495,996
Land Remediation Costs	Outside of budget
TOTAL HARD COSTS:	\$33,633,683
Architect Fees	\$1,746,888
Blueprints & Surveys	\$15,000
Accountant Fees	\$75,000
Legal – Organizational	\$370,000
Legal – Syndication	\$75,000
TIF Consultant Fee	\$60,000
Environmental	\$105,000
Title and Recording Fees	\$50,000
Tax Credit Fees	\$308,391
Lender Legal Fees	\$416,701
Bond Costs	\$382,500
Construction Interest	\$1,400,000
Predevelopment & First Mortgage Fees	\$591,450
Liability Insurance	\$75,000
Real Estate Taxes	\$100,000
Marketing and Leasing	\$120,000
Developer Fees	\$2,200,000
Reserves	\$1,271,660
Other soft costs	\$536,860
TOTAL SOFT COSTS:	\$9,899,450
TOTAL DEVELOPMENT COSTS:	\$43,533,133

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT C-2

CONSTRUCTION (MBE/WBE) BUDGET

Hard Costs

New Construction	\$ 27,082,937*
Total	\$ 27,082,937

Eligible Soft Costs

Architect/Engineer	\$1,746,888
Environmental	\$105,000
TIF Consultant	\$60,000
Total	\$ 21,911,888

Total MBE/WBE Eligible Costs	\$ 28,994,825
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Minimum Contract Amount to MBE Contractors (26%)	\$ 7,538,654
Minimum Contract Amount to WBE Contractors (6%)	\$ 1,739,689

*This amount does not include Contingency (\$1,495,996) or Sole Source Exclusions (\$5,054,751) as approved by DOH's Monitoring and Compliance Division. To the extent that the Contingency is spent or the soft costs listed above increase, the MBE/WBE required amount will increase accordingly.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT D

TIF-FUNDED IMPROVEMENTS

Eligible Cost:	Amount:	TIF-Eligible:	Percentage TIF-Eligible:
Construction Residential	\$32,137,687	\$9,679,977	50% of eligible costs for Affordable and CHA units
Contingency - Hard Costs	\$1,495,997	\$483,999	50% of eligible costs for Affordable and CHA units
Architectural	\$1,746,888	\$565,170	50% of eligible costs for Affordable and CHA units
Environmental	\$105,000	\$105,000	100%
TOTAL:	\$35,485,572	\$10,834,146	

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

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT E

CONSTRUCTION CONTRACT

See attached.



**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT F

APPROVED PRIOR EXPENDITURES

None.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property (and related improvements):

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

2. Liens or encumbrances against the Partnership or the Project, other than liens against the Property (and related improvements), if any:

NONE.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT H

OPINION OF COUNSEL FOR DEVELOPER PARTIES

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

_____, 2019
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Parkside Four Phase II, LP, an Illinois limited partnership (the "Developer"), in connection with the construction of certain improvements on _____ located in the Near North Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) Parkside Four Phase II Rental Project Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of Developer's (i) Certificate of Formation, as amended to date, (ii) Amended and Restated Agreement of Limited Partnership, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all corporate proceedings relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

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

Based on the foregoing, it is our opinion that:

1. Developer is a limited partnership duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization under the laws of every

state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

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

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

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

5. Exhibit A attached hereto (a) identifies the members and managers of Developer and the percentage interest held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the equity of Developer. Each outstanding interest of Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

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

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

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

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

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

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

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

Very truly yours,

By: _____

Name: _____

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT I

FORM OF PAYMENT AND PERFORMANCE BOND

See attached.

CNA SURETY

Performance Bond

Bond No. 30081520

CONTRACTOR:

(Name, legal status and address)

Linn-Mathes, Inc.
309 South Green Street, Chicago, IL 60607

SURETY: Continental Casualty Company: Illinois Corporation

(Name, legal status and principal place of business)

151 N. Franklin Street
17th Floor
Chicago, IL 60606

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

AIA Document A312-2010 combines two separate bonds, a Performance Bond and a Payment Bond, into one form. This is not a single combined Performance and Payment Bond.

OWNER:

(Name, legal status and address)

Parkside Four Phase II, LP
c/o Holsten Real Estate Development Corp.

1020 W. Montrose Avenue
Chicago, IL 60613

CONSTRUCTION CONTRACT

Date: January 24, 2020

Amount: \$: 32,137,687.00

Amount: Thirty Two Million One Hundred Thirty Seven Thousand Six Hundred Eighty Seven and 00/100

Description:

(Name and location)

Parkside Four Phase II - Buildings 5, 31 and 32 (Midrise Building and Walk-up Buildings)

BOND

Date: January 24, 2020

(Not earlier than Construction Contract Date)

Amount: \$: 32,137,687.00

Amount: Thirty Two Million One Hundred Thirty Seven Thousand Six Hundred Eighty Seven and 00/100

Modifications to this Bond: None

See Section 16

CONTRACTOR AS PRINCIPAL

Company: _____ (Corporate Seal)

Linn-Mathes, Inc.
309 South Green Street, Chicago, IL 60607

Signature: _____

Name Robert J. Mathes
and Title: Senior Vice-President

(Any additional signatures appear on the last page of this Performance Bond.)

SURETY

Company: _____ (Corporate Seal)

Continental Casualty Company

Signature: _____

Name H. Donald Peterson
and Title: Attorney-in-fact

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

The Rockwood Company
20 N. Wacker Drive, Suite 960
Chicago, IL 60606

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

Landon Bone Baker Architects
1625 W. Carrol Avenue
Chicago, IL 60612

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 Balance of the Contract Price. The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 Contractor Default. Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:
See attached Multiple Obligee Rider

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company:

(Corporate Seal)

Company:

(Corporate Seal)

Signature: _____

Signature: _____

Name and Title:

Name and Title:

Address

CNA SURETY

Payment Bond

Bond No. 30081520

CONTRACTOR:

(Name, legal status and address)

Linn-Mathes, Inc.
309 South Green Street, Chicago, IL 60607

SURETY: Continental Casualty Company: Illinois Corporation

(Name, legal status and principal place of business)

151 N. Franklin Street
17th Floor
Chicago, IL 60606

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

AIA Document A312-2010 combines two separate bonds, a Performance Bond and a Payment Bond, into one form. This is not a single combined Performance and Payment Bond.

OWNER:

(Name, legal status and address)

Parkside Four Phase II, LP
c/o Holsten Real Estate Development Corp.

1020 W. Montrose Avenue
Chicago, IL 60613

CONSTRUCTION CONTRACT

Date: January 24, 2020

\$ 32,137,687.00

Amount: Thirty Two Million One Hundred Thirty Seven Thousand Six Hundred Eighty Seven and 00/100

Description:

(Name and location)

Parkside Four Phase II - Buildings 5, 31 and 32 (Midrise Building and Walk-up Buildings)

BOND

Date: January 24, 2020

(Not earlier than Construction Contract Date)

\$ 32,137,687.00

Amount: Thirty Two Million One Hundred Thirty Seven Thousand Six Hundred Eighty Seven and 00/100

Modifications to this Bond: None

See Section 18

CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

Linn-Mathes, Inc.
309 South Green Street, Chicago, IL 60607

Signature: _____

Name Robert J. Mathes

and Title: Senior Vice-President

(Any additional signatures appear on the last page of this Payment Bond.)

SURETY

Company:

(Corporate Seal)

Continental Casualty Company

Signature: _____

Name H. Donald Peterson

and Title: Attorney-in-fact

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

The Rockwood Company
20 N. Wacker Drive, Suite 960
Chicago, IL 60606

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

Landon Bone Baker Architects
1625 W. Carrol Avenue
Chicago, IL 60612

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 18 Modifications to this bond are as follows:

See attached Multiple Obligee Rider

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

SURETY

Company:

(Corporate Seal)

Signature: _____

Name and Title:

Address

Signature: _____

Name and Title:

MULTIPLE OBLIGEE RIDER

TO BE ATTACHED TO and form part of Bond Number 30081520 issued by the Continental Casualty Company as Surety, on behalf of Linn-Mathes, Inc. Principal of 309 South Green Street, Chicago, IL 60607 Address, hereinafter referred to as Principal, in favor of Parkside Four Phase II, LP c/o Holsten Real Estate Development Corp. hereinafter referred to as the Obligee (s), in the sum of Thirty Two Million One Hundred Thirty Seven Thousand Six Hundred Eighty Seven and 00/100 Dollars (32,137,687.00), effective January 24, 2020.

In consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration receipt of which is hereby acknowledged, the Undersigned hereby agree as follows: Stratford Parkside Chicago Investors Limited Partnership, and its successors and/or assigns; Stratford SLP, Inc., and its successors and/or assigns; CIBC Bank USA., and its successors and/or assigns; Chicago Housing Authority; Illinois Housing Development Authority; City of Chicago; are

hereby added to said bond as an additional obligee(s).

- 1. The Surety shall not be liable under this bond to the Obligee, or any of them unless the said Obligees, or any of them, shall make payments to the Principal strictly in accordance with the terms of the said contract as to payments, and shall perform all other obligations to be performed under said contract at the time and in manner therein set forth.
2. Aggregate liability of Surety hereunder to Obligees is limited to the penal sum above state and Surety, upon making payment hereunder, shall be subrogated to, and shall be entitled to an assignment of all rights of the payee with respect to particular obligation discharged by the payment, either against principal or against any other party liable to the payee on the discharged obligation.

SIGNED, SEALED AND DATED this 24th day of January, 2020.

Linn-Mathes, Inc. (Principal)
BY: Robert J. Mathes, Senior Vice President (Seal)
Continental Casualty Company (Surety)
BY: H. Donald Peterson, Attorney-in-fact (Seal)

State of Illinois }
County of Cook } ss:

On JANUARY 24, 2020, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared H. Donald Peterson

known to me to be Attorney-in-Fact of Continental Casualty Company the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.

My Commission Expires

360212-6-66



Paul D. Lange
Notary Public

4th day of June, 2015 POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

J A Maderak, Robert H Walker, Patrick R O Sullivan, David L Jennings, H Donald Peterson, Amy C Homer, Philip C Reimer, David Kotula, Susan M Preissing, Doug P O Neill, George F Manikas Jr, Individually

of Chicago, IL, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this .

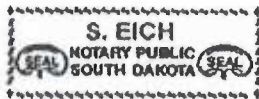


Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Paul T. Bruflat
Paul T. Bruflat Vice President

State of South Dakota, County of Minnehaha, ss:

On this 4th day of June, 2015, before me personally came Paul T. Bruflat to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is a Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that he knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.



My Commission Expires February 12, 2021

S. Eich
S. Eich Notary Public

CERTIFICATE

I, D. Bult, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance companies printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 24th day of January, 2020.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

D. Bult
D. Bult Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company at a meeting held on May 12, 1995:

“RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.”

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of Continental Casualty Company.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012:

“Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the “Authorized Officers”) to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, “Electronic Signatures”); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company.”

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company by unanimous written consent dated May 10, 1995:

“RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.”

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of National fire Insurance Company of Hartford.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012:

“Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the “Authorized Officers”) to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, “Electronic Signatures”); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company.”

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the Board of Directors of the Company by unanimous written consent dated May 10, 1995:

“RESOLVED: That any Senior or Group Vice President may authorize an officer to sign specific documents, agreements and instruments on behalf of the Company provided that the name of such authorized officer and a description of the documents, agreements or instruments that such officer may sign will be provided in writing by the Senior or Group Vice President to the Secretary of the Company prior to such execution becoming effective.”

This Power of Attorney is signed by Paul T. Bruflat, Vice President, who has been authorized pursuant to the above resolution to execute power of attorneys on behalf of American Casualty Company of Reading, Pennsylvania.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 25th day of April, 2012:

“Whereas, the bylaws of the Company or specific resolution of the Board of Directors has authorized various officers (the “Authorized Officers”) to execute various policies, bonds, undertakings and other obligatory instruments of like nature; and

Whereas, from time to time, the signature of the Authorized Officers, in addition to being provided in original, hard copy format, may be provided via facsimile or otherwise in an electronic format (collectively, “Electronic Signatures”); Now therefore be it resolved: that the Electronic Signature of any Authorized Officer shall be valid and binding on the Company.”

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

EXHIBIT J

REQUISITION FORM

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, _____ of Parkside Four Phase II, L.P., an Illinois limited partnership (the "Rental Owner"), hereby certifies for itself and the other Developer Parties, that with respect to that certain Parkside Four Phase II Rental Project Redevelopment Agreement between the Developer and the City of Chicago dated _____, 2019 (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$_____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ _____

C. The Rental Owner requests reimbursement for the following cost of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. The Rental Owner hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and the Rental Owner is in compliance with all applicable covenants contained herein.

2. 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.

3. Pursuant to Section 4.03(c) of the Redevelopment Agreement, the Rental Owner hereby certifies to the City that construction of the Project has attained the following level of completion (check one of the following, if applicable):

- _____ 25% completion
- _____ 50% completion
- _____ 75% completion
- _____ 100% completion

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

[Rental Owner]

By: _____

Name

Title: _____

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

My commission expires: _____

Agreed and accepted:

Name

Title: _____

City of Chicago

Department of Planning and Development

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

**EXHIBIT K
LENDER FINANCING**

A. Lender Financing:

1. Amount: Not to exceed \$30,000,000
 Source: CIBC, through City Tax Exempt Notes
 Interest: Not to exceed ___% or such other rate acceptable to the
 DOH Commissioner
 Security: A first mortgage lien (construction period) on the Property

2. Amount: Approximately \$5,535,000
 Term: Not to exceed 18 years with a 35-year amortization
 schedule
 Source: CDT, or another entity acceptable to the DOH
 Commissioner
 Interest: Not to exceed 300 bps over the 10-year treasury rate, or
 such other rate acceptable to the DOH Commissioner
 Security: A first mortgage lien (permanent) on the Property, following
 repayment in full of the City Tax Exempt Notes

3. Amount: Approximately \$11,620,453
 Source: Chicago Housing Authority – Moving to Work Funds,
 Capital Development Funds, Program Funds or other
 funds acceptable to DOH Commissioner
 Term: Not to exceed 42 years
 Interest: Zero percent per annum
 Security: A second mortgage lien on the Property

4. Amount: Up to \$2,000,000
 Source: City of Chicago Multi-Family Program Funds
 Term: Not to exceed 42 years
 Interest: Zero percent per annum
 Security: A third mortgage lien on the Property

5. Amount: Not to exceed \$4,781,804
 Source: CHA, through sale of IL Affordable Housing Tax Credits
 and loan of proceeds
 Term: Not to exceed 42 years
 Interest: Zero percent per annum
 Security: A fourth mortgage lien on the Property

6. Amount: Up to \$9,500,000
 Source: TIF Loan
 Term: Not to exceed 42 years
 Interest: Zero percent per annum
 Security: A fifth mortgage lien on the Property

7. Amount: Not to exceed \$264,269
 Source: Sponsor loan of ComEd grant funds
 Term: Not to exceed 42 years
 Interest: Zero percent per annum

- Security: A mortgage lien junior to above liens on the Property
8. Amount: Delivery Assurance Note, approximately \$57,991
Source: CDT, or another entity acceptable to DOH Commissioner
Term: Not to exceed 36 months
Security: A mortgage lien junior to above liens on the Property

B. Other Financing

1. Approximately \$9,821,607 to be derived from the syndication by the General Partner of Low-Income Housing Tax Credits allocated by the City.
2. The General Partner will also contribute approximately \$10,100.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

**EXHIBIT L
ESCROW AGREEMENT**

See attached.

Escrow Account No. _____

CONSTRUCTION ESCROW AND DISBURSEMENT AGREEMENT

This CONSTRUCTION ESCROW AND DISBURSEMENT AGREEMENT (the "Escrow Agreement"), dated as of January 24, 2020, is made and executed by the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), Parkside Four Phase II, LP, an Illinois limited partnership (the "Borrower"), Greater Illinois Title Company, an Illinois corporation (the "Escrow Agent"), CIBC Bank USA, a national banking association (the "Senior Lender"), Chicago Housing Authority, an Illinois municipal corporation (the "CHA Lender"), Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("Cabrini LAC") and Parkside Associates, LLC, an Illinois limited liability company (the "Remediation Party"), all as more particularly described on Exhibit A hereto. The City and the undersigned Senior Lender and the CHA Lender are referred to herein collectively as the "Funders."

Preliminary Statement

The City has made a loan to the Borrower (the "City Loan") pursuant to that certain Housing Loan Agreement (HOME) by and between the City and Borrower dated as of the date hereof (such loan agreement, as amended, supplemented and restated from time to time, the "City Loan Agreement"). The Senior Lender has made the senior funding loan (the "Funding Loan") to the City, the proceeds of which were loaned (the "Borrower Loan," and with the Funding Loan, the "Senior Loan") by the City to the Borrower pursuant to senior loan documents, which senior loan documents were then assigned by the City to the Senior Lender (the "Senior Loan"). The documents evidencing, securing and relating to the Senior Loan, as amended, supplemented and restated from time to time, are referred to herein as the "Senior Loan Documents"). The CHA Lender has made two (2) separate loans to the Borrower (the "CHA Loans") pursuant to the CHA loan documents (herein as amended, supplemented and restated from time to time, the "CHA Loan Documents"). The City Loan Agreement, the Senior Loan Documents, the CHA Loan Documents, and the Remediation Agreement are referred to herein collectively as the "Agreements." The City Loan, the Senior Loan and the CHA Loans are referred to herein collectively as the "Loan(s)." The total amount of each Loan is set forth on Part I of Exhibit B hereto. Some or all of the Loans are secured by separate mortgages (collectively, the "Mortgages") covering the leasehold estate in the land and improvements described therein. The Title Company (as identified on Exhibit A hereto) has issued (or has issued its commitment to issue) an ALTA Mortgagee's Title Insurance Policy with respect to such Funders' Mortgage(s), collectively referred to herein as the "Policies." The Loans are being made to finance in part the cost of developing a 102-unit multifamily residential project located in the City of Chicago, Cook County, Illinois, known or to be known as Parkside Four-Phase II (the "Project").

Pursuant to that certain Parkside Four Phase II Rental Project Redevelopment Agreement (the "Redevelopment Agreement"), dated as of January 24, 2020, by an among the City, the Borrower and Cabrini LAC, the City has agreed to provide an amount not exceeding \$9,500,000 from City Funds (as defined in the Redevelopment Agreement) that are Available Incremental Taxes (as defined in the Redevelopment Agreement) for a portion of the TIF Funded Improvements (as defined in the Redevelopment Agreement) incurred in connection with the construction and development of the Project. The City Funds will be provided in five installments as follows: (i) the first installment of up to \$2,375,000 (the "First TIF Installment") will be paid

after construction of the Project is 25% complete, as certified to the City in a requisition of the Borrower; (ii) the second installment of up to \$2,375,000 (the "Second TIF Installment") will be paid after construction of the Project is 50% complete as certified to the City in a requisition of the Borrower, (iii) the third installment of up to \$2,375,000 (the "Third TIF Installment") will be paid after construction of the Project is 75% complete as certified to the City in a requisition of the Borrower, (iv) the fourth installment of up to \$1,187,500 (the "Fourth TIF Installment") will be paid after construction of the Project is 100% complete as certified to the City in a requisition of the Borrower, and (v) the fifth and final installment of up to \$1,187,500 (the "Fifth TIF Installment") will be paid upon the issuance of the Certificate (as defined in the Redevelopment Agreement). The proceeds of First TIF Installment and the Second TIF Installment will be deposited by the City pursuant to Section 4.04 of the Redevelopment Agreement into the construction escrow account established by the Escrow Agent pursuant to the terms of this Escrow Agreement to pay or reimburse the Partnership for the costs of the Project. The proceeds of the Third TIF Installment, the Fourth TIF Installment and the Fifth TIF Installment will be deposited by the City with the Escrow Agent pursuant to Section 4.04 of the Redevelopment Agreement and disbursed pursuant to this Escrow Agreement to Lender to partially repay the Senior Loan.

The Borrower, the CHA Lender and the Remediation Party will enter into that certain Remediation Agreement dated as of the date hereof (the "Remediation Agreement"), pursuant to which the CHA Lender will fund certain remediation costs associated with the Project (as defined in the City Loan Agreement (such funds, the "Remediation Funds"). Additionally, the Remediation Party and the General Contractor (defined below) entered into that certain Remediation Contract (the "Remediation Contract") pursuant to which "Remediation Work", as defined in Paragraph 2 of the Remediation Agreement, will be performed. Although a source of funds for the Project, the Remediation Funds do not constitute Escrowed Proceeds as defined herein.

The Funders and the Borrower desire to utilize the staff and expertise of the Escrow Agent to collect, review and approve lien waivers, and disburse the Escrowed Proceeds (as hereinafter defined), subject to the terms and conditions of this Escrow Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

I. Creation of and Deposits to Escrow Account.

A. Escrow Account. There is hereby created with the Escrow Agent an escrow account (the "Escrow Account"), into which all funds shall be deposited hereunder in the amounts set forth in Part I of Exhibit C hereto (collectively, including the hereinafter defined Cash Equity, the "Escrowed Proceeds"). The Escrow Account shall also include a separate subaccount for the Remediation Funds deposited by the CHA Lender (the "Remediation Subaccount"). The Escrow Agent will provide, upon written request, any information regarding the disbursement of funds from the Escrow Account or the Remediation Subaccount, including but not limited to specific disbursements of the proceeds of the City Loan, the Cash Equity, any Senior Loan, CHA Loan or the Remediation Funds.

B. Borrower's Deposits. On the date hereof (or such other date or dates, if any, as set forth in Part I of Exhibit C hereto), the Borrower will deposit into the Escrow Account the total amount set forth as Cash Equity on Part I of Exhibit C (the "Cash Equity"). Other portions of Equity (as defined in the City Loan Agreement) shall be deposited from time to time by the Borrower as specified in Senior Loan Documents and also as required under Section 27 of the City Loan Agreement.

C. Funder Deposits. Over the term of this Escrow Agreement, the Funders and Cabrini LAC will deposit (or cause to be deposited) into the Escrow Account the total amounts set forth for each such Funder and Cabrini LAC, respectively, on Part I of Exhibit C hereto (being the proceeds of such Funder's Loan), net of any amounts reserved for interest payments, all at intervals and installments to be determined pursuant to the respective Agreements, and will deposit into the Escrow Account as of the date hereof the amounts, if any, set forth for each Funder and Cabrini LAC, respectively, on Part II of Exhibit C hereto. At the time of each request for a disbursement to be funded from the proceeds of a Loan hereunder or City Funds pursuant to the Redevelopment Agreement, such Funder, or Cabrini LAC, as applicable, shall make (or cause to be made) a deposit with the Escrow Agent of all or a portion of the proceeds of its respective Loan, or City Funds, as applicable, in immediately available funds, in the amount approved by each Funder pursuant to such request for disbursement as provided in Section IV hereof, provided, however, that (i) no event shall have occurred which is or, with the passage of time or the giving of notice or both, would become an event of default under any of the Agreements, (ii) each condition set forth in Section IV, as applicable, shall have been satisfied, (iii) the conditions to disbursement in each Funder's Agreement have been satisfied; and (iv) no Funder shall be obligated to deposit any proceeds of such Funder's Loan unless, at the time of such request, such Funder's Loan is In Balance (as defined in the applicable Agreement) and shall remain In Balance following such disbursement. If any Funder shall, pursuant to a disbursement request, deposit with the Escrow Agent funds in an amount greater than the amount requested from such Funder, the Escrow Agent shall promptly transfer the amount of such excess back to such Funder.

D. Remediation Subaccount Deposits. The Remediation Agreement and Remediation Contract generally provide that the General Contractor and the Remediation Party, in the course of performing certain site work including, without limitation, excavation, grading, disposal and fill work, must determine what portion of such site work constitutes Remediation Work covered by the Remediation Contract and what portion of such site work is included within the scope of that certain Construction Contract dated as of January 24, 2020 between the Borrower and the General Contractor (the "Construction Contract"). If the General Contractor and the Remediation Party determine that site work, or some portion thereof, constitutes work required under the scope of the Construction Contract, then the cost of such site work shall be included in the draw request and funded with Escrowed Proceeds. If the General Contractor and the Remediation Party determine that site work, or some portion thereof, constitutes Remediation Work covered by the Remediation Contract, then the cost of such Remediation Work shall be included as a separate line item on the Owner's Statements and Contractor's Statements, and the CHA Lender shall then deposit sufficient Remediation Funds into the Remediation Subaccount to pay for such Remediation Work costs and such funds shall be disbursed in accordance with Section IV below.

II. Allocation of Costs with Respect to Sources of Funds.

A. Disbursements of Cash Equity. Except as otherwise set forth in Exhibit D hereto, until such time as all of the Cash Equity shall have been disbursed hereunder, each amount so disbursed hereunder (whether for Eligible Costs or Ineligible Costs, as defined below) shall be funded from Cash Equity as set forth on Exhibits C and D hereto.

B. Disbursement of Funders' Loans and City Funds. Subject to Section II.D, the Funders' Loans and City Funds shall be disbursed as follows:

1. Ineligible Costs. After all of the Cash Equity shall have been disbursed hereunder (except as set forth in Exhibit D hereto), each amount disbursed for costs described on Exhibit D

hereto as Ineligible Costs (the "Ineligible Costs") shall be funded from the Senior Loan or the CHA Loan as set forth on Exhibits C and D hereto.

2. Eligible Costs. After all of the Cash Equity shall have been disbursed hereunder (except as set forth in Exhibit D hereto), each amount disbursed for costs described on Exhibit D hereto as Eligible Costs (the "Eligible Costs") shall be funded from the Funders' Loans as set forth on Exhibits C and D hereto.

The Funders, and not the Escrow Agent, are responsible for determining the amount of each Funder's disbursement requirement for each disbursement as described in this Section II(B). Such amounts and each Funder's agreement thereto shall be evidenced by the written request for disbursement signed by the Borrower and each Funder, and the Escrow Agent is entitled to rely thereon, without further inquiry. Disbursements of City Funds will be in accordance with the Redevelopment Agreement.

C. Disbursement of Remediation Funds. With respect to the disbursement of the Remediation Funds, each amount disbursed for Remediation Work shall be funded from the Remediation Subaccount pursuant to a separate Owner's Statement and Contractor's Statement approved by the CHA Lender for Remediation Work. Borrower shall cause the Remediation Contractor (as defined in the Remediation Contract) periodically to submit draw requests for payments for the Remediation Work. Disbursement of funds from the Remediation Subaccount shall be a process conducted independently of the draw process for the Project and shall require only the approval of CHA Lender, but shall otherwise take place and require the submission of sworn statements, lien waivers and supporting documentation consistent with the requirements of Section III through IV of this Escrow Agreement, copies of which shall be supplied to the Senior Lender.

D. Disbursements of City Funds. The parties intend to utilize the services of Escrow Agent to facilitate the disbursement of City Funds deposited by the City pursuant to the Redevelopment Agreement to pay eligible Project costs and to partially repay the outstanding balance of the Senior Loan. The amounts of the First TIF Installment and the Second TIF Installment of the City Funds, as and when such installments are deposited with the Escrow Agent, shall be disbursed pursuant to this Escrow Agreement to pay or reimburse the Borrower for costs of the Project that qualify as Redevelopment Project Costs (as defined in the Redevelopment Agreement). The amounts of the Third TIF Installment, the Fourth TIF Installment and the Fifth TIF Installment of the City Funds, as and when such installments are deposited with the Escrow Agent, shall be disbursed to the Senior Lender pursuant to wire transfer instructions delivered to Escrow Agent by the Senior Lender for application to the payment of the Senior Loan. Notwithstanding anything contained in this Escrow Agreement to the contrary, disbursements of the Third TIF Installment, the Fourth TIF Installment and the Fifth TIF Installment of the City Funds to pay down the Senior Loan shall be governed solely by this Section II.D. and no party to this Escrow Agreement other than Senior Lender shall have the right to instruct Escrow Agent to disburse, or withhold the disbursement of such funds

III. Manner of Disbursement; Timing of Payments. Disbursements from the Escrow Account are to be made as follows, pursuant to each draw request approved pursuant to Section IV hereof:

A. By checks to the General Contractor evidencing payment due for labor and/or materials furnished for the Project (as defined in the City Loan Agreement);

B. To the undersigned general contractor (the "General Contractor") for general requirements, builder's overhead (and for builder's profit, when applicable) and for labor and/or materials furnished directly by the General Contractor for the Project, approved by the Funders pursuant to such disbursement request;

C. To the General Contractor for labor and/or materials furnished by subcontractors when such items have been paid directly by the General Contractor, and when substantiated by a payment affidavit and lien waiver from the subcontractor;

D. For costs related to Remediation Work included in an Owner's Statement and Contractor's Statement for Remediation Work approved by the CHA Lender, by checks to the General Contractor or when substantiated by a payment affidavit and lien waiver from the subcontractor; and/or

E. To the Borrower and/or other parties as approved by the Borrower and the Funders for non-construction items.

For purposes of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services, labor, materials and supplies to the Project. Upon receipt of Escrowed Proceeds sufficient to cover each disbursement, Escrow Agent will immediately notify the General Contractor and the Borrower that the check covering construction items may be picked up.

IV. Conditions Precedent to Disbursements. NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER UNTIL ALL FUNDERS, WHETHER OR NOT CONTRIBUTING FUNDS TO SUCH DISBURSEMENT, HAVE APPROVED THE DISBURSEMENT REQUEST. IF ANY FUNDER HAS NOTIFIED THE ESCROW AGENT IN WRITING EITHER ELECTRONICALLY OR BY TELECOPY NOT TO DO SO, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER (a) EXCEPT AS PROVIDED IN SECTION VI(F) HEREOF OR (b) UNLESS AND UNTIL ALL FUNDERS SHALL HAVE JOINTLY NOTIFIED THE ESCROW AGENT IN WRITING TO DO SO.

The additional terms and conditions under which disbursements are to be made under this Escrow Agreement are as follows:

A. All Disbursements. The requirements for all disbursements, including the first and final disbursement, are as follows:

1. Prior to each disbursement of funds hereunder, the following shall be furnished to the Escrow Agent:

a. A sworn owner's statement disclosing all contractors and material suppliers with whom the Borrower has contracted, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due, and a separate sworn owner's statement identifying all contracts entered into and costs incurred by the Remediation Party with respect to the Remediation Work (collectively, the "Owner's Statement");

b. A sworn General Contractor's statement setting forth in detail all contractors and material suppliers with whom the General Contractor

has contracted for the Project, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due, and a separate sworn General Contractor's statement identifying all subcontracts entered into and costs incurred by the General Contractor with respect to the Remediation Work (collectively, the "Contractor's Statement"), together with the partial waiver of the General Contractor in the amount of the draw, and waivers of liens, affidavits, supporting waivers, release of liens and/or other documents and information satisfactory to Escrow Agent, if necessary, from subcontractors and material suppliers listed thereon (with a 30-day lag on the subcontractors', mechanics' and materialmen's lien waivers, except as set forth below in subsection 1.i.), provided that General Contractor or Borrower shall have entered into such indemnification arrangement with the Escrow Agent as required by the Escrow Agent to underwrite the requested coverage and issue the endorsements required by paragraph A(2) of this Section IV);

c. An approval of the current condition of title shown in each Policy, from each Funder holding (or to receive) a Policy. When, after the first disbursement, a further title search reveals a subsequently arising exception over which the Title Company is unwilling to insure, the Escrow Agent will notify the Funders and discontinue disbursement until the exception has been disposed of to the satisfaction of the Funders. (A mechanic's lien claim over which the Title Company is required to insure hereunder does not warrant a discontinuance of disbursement);

d. Other statements, waivers, affidavits, supporting waivers and releases of lien from such persons and in such form as may be required by the Escrow Agent for the purpose of releasing and waiving any and all rights to file mechanic's lien claims against the Premises (as defined in the City Loan Agreement) for those amounts and the work or materials which they represent (with a 30-day lag on the subcontractors', mechanics' and materialmen's lien waivers, except as set forth below in subsection 1.i.) (alternatively, the Borrower may enter into such indemnification arrangement with the Escrow Agent as required by the Escrow Agent to underwrite the requested coverage and issue the said required policy);

e. The Cash Equity due as of the date of the requested disbursement from the Borrower, as well as sufficient funds in the aggregate, consisting of Cash Equity, and/or the proceeds of any Loan, to cover the amount of the disbursement;

f. A written approval by the Borrower and, to the extent approved, the Funders of the requested disbursement and a request that the disbursement be made. For disbursements other than the first disbursement, such approval shall reference any extras or change orders not previously covered by waivers or deposited funds, and the amount of such extra or change order. Approval of each Funder is required for every disbursement regardless of whether all Funders are contributing funds to such disbursement. All Funders shall be copied on the approvals required by this Section;

- g. If any Funder so requests, General Contractor shall provide current copies of all of General Contractor's subcontracts from time to time in effect with respect to the Project;
- h. An Architect's Certificate of Payment (Form G702) from Landon Bone Baker Architects Ltd. and, if any Funder makes a written request, all inspection reports made by Borrower's supervisory architect since the preceding disbursement; and
- i. From and after such time as payments as disclosed in the Contractor's Statement reach 90% of the total contract amount, supporting waivers from the subcontractors and/or materialmen shall be provided on a current basis.

2. Simultaneously with each disbursement, the Title Company shall issue and deliver a mechanics' lien and pending disbursement endorsement to each Funder's Policy, if any, in form and substance satisfactory to such Funder (the "Endorsement"). The amount shown in such Endorsement shall be the amount of the total disbursement(s) made by such Funder to date, and the effective date thereof shall be the date such Funder's funds are deposited into the Escrow Account.

B. First Disbursement. Prior to the first disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished:

1. Where applicable, the Title Company shall have furnished to each Funder Policies, in such form and with such endorsements as shall be satisfactory to each such Funder, covering the recording of each Funder's Mortgage and showing each Funder as the insured under its respective Policy; and

2. The documents to be recorded and the procedures to be followed with respect to the closing shall be set forth either (i) in separate closing instruction letters of the Borrower and Funders or (ii) in a closing instruction letter to be jointly executed by the Borrower, the Funders and the Escrow Agent (the "Instruction Letter"). The Escrow Agent shall be authorized to make the first disbursement when all conditions to such disbursement under the Instruction Letter have been met. In the event either all deposits required under the Instruction Letter have not been received by the Escrow Agent on or prior to the date and time required under the Instruction Letter, or all conditions precedent to disbursement of the deposits have not been met on or prior to the date and time required under the Instruction Letter, the Escrow Agent shall continue to hold the deposits it has received, including but not limited to any portion of the first disbursement, pending receipt of written instructions from the party originating each deposit regarding the handling of such party's deposits.

C. Final Disbursement. Prior to the final disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished:

1. A certificate addressed to each Funder and the Escrow Agent, from the Borrower's architect, and the City's Department of Housing or its representative, certifying that all rehabilitation or construction work has been completed and materials are in place to the extent shown in the request for payment by the General Contractor.

2. Upon completion of the Project, the Borrower shall promptly submit notice thereof to the Escrow Agent and each Funder and shall cause the Title Company to issue a final Endorsement to each Funder's Policy, if any.

D. Funding In Balance. No Funder shall have any obligation to fund any line item of any pending request for disbursement from Borrower if the funding of such line item would, when aggregated with such Funder's prior disbursements for such line item, result in an aggregate amount in excess of the amount allocated to such line item in the Project budget by the Funder. No Funder shall have any obligation to fund its share of any pending request for disbursement from Borrower if (i) any other Funder refuses or is unable to fund its share, if any, of any such pending request, or (ii) the Borrower is unable, for any reason, to fund any portion of any request required to be funded from Cash Equity; provided, however, that if the Borrower deposits funds in an amount equal to the shortfall in any pending request for disbursement caused by a failure or refusal to fund as described in this section, then, the remaining Funders shall continue to fund their respective shares, if any, of such request for disbursement subject to and in accordance with the applicable Agreement of such Funder.

E. Disbursement Following Default Under Funders' Agreements. In the event of a default by Borrower under any of the Agreements (as determined after taking into account all applicable notice and cure periods, if any), any Cash Equity in the Escrow Account will be disbursed by Escrow Agent in accordance with the joint written direction of all Funders.

V. Withholding of Disbursements. Notwithstanding anything in this Escrow Agreement to the contrary, except as provided in paragraph F of Section VI, and this Section V, Escrow Agent will not make any disbursements hereunder in the event:

A. Intervening liens are discovered during the processing of one or more draw requests. In such event, Escrow Agent will give Borrower and each Funder immediate written notice and will then withhold disbursement until Escrow Agent notifies each Funder that such intervening liens have been satisfied or sufficient funds have been deposited with Escrow Agent or a title indemnity agreement provided by the General Contractor secured by a separate surety bond provided by the General Contractor, or other security acceptable to the Funders in favor of the Title Company has been procured by the General Contractor, and the Title Company has issued its endorsement over any such liens in favor of all Funders having Policies; or

B. Escrow Agent has not received all sworn statements, mechanic's and materialmen's lien waivers, affidavits and other documents and information required to be furnished pursuant to Section IV of this Escrow Agreement. In any such event, Escrow Agent will notify Borrower and Funders in writing and will withhold disbursement until such required deliveries have been received, or sufficient funds have been deposited with Escrow Agent or a surety bond in favor of the Title Company has been procured or other security acceptable to the Funders has been provided and the Title Company has issued its endorsement over any such liens in favor of all Funders having Policies; notwithstanding the foregoing, Escrow Agent may, with the written consent of all Funders, process a draw request for which complete lien waivers have not been provided if Escrow Agent holds back an amount equal to 150% of the amount of work or materials for which a lien waiver has not been provided; or

C. Escrow Agent discovers a material misstatement in any sworn statement, mechanic's and materialmen's lien waiver, affidavit or other document or information furnished pursuant to this Escrow Agreement. In any such event, Escrow Agent will notify Borrower and each Funder in writing immediately and make no further disbursements until such misstatement is corrected to the satisfaction of Escrow Agent and each Funder, or sufficient funds have been

deposited with Escrow Agent or a surety bond in favor of the Title Company has been procured;
or

D. Escrow Agent discovers any information which, in the opinion of Escrow Agent, may adversely affect the priority of the lien of any of the Mortgages. In any such event, Escrow Agent will forthwith notify Borrower and each Funder in writing of such information and withhold disbursement until such matter is resolved to the satisfaction of Escrow Agent and each affected Funder; or

E. Any Funder has notified Escrow Agent in writing either electronically or by facsimile (with a copy to the other Funders) not to disburse funds from the Escrow Account. In any such event, Escrow Agent will make no further disbursements until directed to do so by the Funder(s) giving notice (or the CHA Lender, in the case of the Remediation Subaccount).

VI. Escrow Agent. It is understood by the parties hereto and by the General Contractor, who executed this Escrow Agreement to evidence its understanding and not as a party hereto, that the following provisions govern the duties of the Escrow Agent hereunder:

A. The Escrow Agent may, at its discretion, take whatever steps the Escrow Agent may deem necessary to verify the accuracy of any sworn statement required hereunder;

B. If at any time the Escrow Agent shall discover a misstatement of a material fact in any request or other notice from the Borrower, it shall promptly give notice of such discovery to each Funder and shall thereafter not disburse funds from the Escrow Account until such misstatements shall have been corrected to the satisfaction of each Funder, except as directed pursuant to the joint direction of all Funders;

C. The Escrow Agent will not accept any blanket lien waivers by the General Contractor as to labor performed and/or materials furnished by others. The Escrow Agent will not accept any blanket waiver pre-signed by any subcontractor;

D. While the subcontractors and any suppliers of labor and materials listed on sworn statements are not parties to this Escrow Agreement and have no standing hereunder, the Escrow Agent is authorized to furnish to those persons information which the Escrow Agent may deem appropriate with regard to the times at which disbursements might be made to them, and what conditions remain unsatisfied when the Escrow Agent is not in a position to disburse;

E. Any requirement or undertaking herein notwithstanding, there is no obligation assumed by the Escrow Agent for insuring that sufficient funds will be available to pay all costs incurred in completing the Project, or that the Project will be completed. Subject to paragraph G of this Section VI, all income, if any, derived from any use which the Escrow Agent may make of any deposits hereunder shall belong to the respective depositors;

F. Upon receipt of written notice to the Escrow Agent from any Funder, the Escrow Agent shall transfer to such Funder all amounts previously disbursed by such Funder into the Escrow Account that remain in the Escrow Account;

G. Notwithstanding paragraphs E and F of this Section VI, after payment by the Escrow Agent of the final disbursement hereunder, the Escrow Agent shall disburse any Cash Equity then remaining in the Escrow Account (except funds in the Remediation Subaccount) to the City in payment of the City Loan;

H. Upon completion of the Remediation Work, any funds remaining in the Remediation Subaccount shall be paid to the CHA Lender;

I. The Escrow Agent's charges for the services performed and title insurance protection furnished hereunder are the responsibility of the Borrower and are to be paid from funds deposited herein, and the Escrow Agent reserves the right to suspend further processing of funds in the Escrow Account until this is done or other arrangements satisfactory to the Escrow Agent have been made; and

J. It is understood by the parties hereto that the requirements listed in this Section VI are solely for the Escrow Agent's benefit to assist the Escrow Agent in fulfilling its obligations hereunder.

VII. Investment of Escrowed Proceeds.

A. Investment of Funds. Any funds, other than proceeds of the Senior Loan, remaining on deposit in the Escrow Account from time to time will be held and invested by Escrow Agent in such Permissible Investments (as defined below) as Borrower will direct in writing from time to time. Upon receipt of any such investment direction from Borrower, Escrow Agent will forward a copy thereof to Funders, and Escrow Agent will not make such investment until Escrow Agent has received written confirmation from the Funders that such investment is a Permissible Investment (or in the case of the investment of Remediation Funds, written confirmation from the CHA Lender). The proceeds of the Senior Loan may not be invested without the prior written consent of the Senior Lender

B. Application of Investment Earnings. Except as provided in Section VII(D) below with respect to funds for which Escrow Agent has received no written investment directions, all investment earnings on funds remaining on deposit in the Escrow Account shall be used in the same manner as provided herein for the funds originally deposited in the Escrow Account.

C. Redemption of Investments. Escrow Agent may redeem any such investment when and to the extent that funds are needed for disbursement under this Escrow Agreement.

D. No Duty to Invest. Except as to deposits of funds for which Escrow Agent has received express written direction concerning investment or other handling, the parties hereto agree that Escrow Agent will be under no duty to invest or reinvest any deposits at any time held by it hereunder; and further that Escrow Agent may commingle such deposits (i.e., deposits without investment direction) with other deposits or with its own funds in the manner provided for the administration of funds under 205 ILCS 620/2-8 and may use any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any; provided, however, that nothing herein shall diminish Escrow Agent's obligations to apply the full amount of the deposits in accordance with the terms of this Escrow Agreement.

E. No Liability for Investment Risk. Escrow Agent will have no liability for any loss of principal or interest which may be incurred as a result of the making of such investments or the redemption thereof, except for losses incurred as the direct or indirect result of Escrow Agent's (including its agents, officers and employees) negligence or willful misconduct.

F. Permissible Investments. The term "Permissible Investments" shall mean any one or more of the following: (1) direct obligations of the United States Government; (2) interest-bearing accounts at financial institutions, but only to the extent that the amount on deposit

in any such account is fully insured by the Federal Deposit Insurance Corporation; and (3) such other investments approved in writing by Borrower and Funders.

VIII. Special Provisions. Special provisions, if any, applicable to this Escrow Agreement are set forth on Exhibit E hereto. If there shall be any inconsistency between the terms of the body of this Escrow Agreement and any term set forth as a special provision on Exhibit E hereto, the term set forth as a special provision on Exhibit E shall prevail.

IX. General.

A. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth on Exhibit F hereto, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram, email or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested. 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) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day (as defined below) immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail. "Business Day" as used herein shall mean a day on which banks in the City of Chicago are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State of Illinois or any ordinance or resolution of the City of Chicago.

B. No changes, amendments, modifications, cancellations or discharge of this Escrow Agreement, or any part hereof, shall be valid unless in writing executed by the parties hereto or their respective successors and assigns.

C. No official, officer or employee of any Funder shall be personally liable to the Borrower or any successor in interest in the event of any default or breach of this Escrow Agreement by such Funder or for any amount which may become due to the Borrower or any successor in interest, or on any obligation under the terms of this Escrow Agreement.

D. The Escrow Agent, the Funders, and the Borrower agree that this Escrow Agreement is not intended to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than the Escrow Agent, the Funders and the Borrower, as a third party beneficiary or otherwise, under any theory of law.

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

F. This Escrow Agreement shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws principles.

G. This Escrow Agreement may be executed in several counterparts, each of which shall constitute an original and all of which shall constitute one and the same instrument.

H. The Funders and the Borrower agree that any savings in the costs of completing the Project, after repayment of any deferred developer fee owed to the developer, shall be applied pro rata to reduce the amounts of the City Loan and the CHA Loan, and not to reduce the amounts of the Cash Equity or the other Funders' Loans as described on Exhibit B hereto. At or prior to the completion of the Project, the Borrower shall fully disburse the Cash Equity and the Funders other than the City and the CHA Lender shall fully disburse their Loans into the Escrow Account, except for proceeds of the Senior Loan not necessary for the construction of the Project. Such disbursements shall be applied to pay or reimburse costs of the Project or, in the event that such disbursements exceed the remaining unpaid or unreimbursed Project costs, such funds (except for proceeds of the Senior Loan) shall be paid pro rata to the City and the CHA Lender to reduce the amounts of the City Loan and the CHA Loan. Any excess proceeds of the Senior Loan shall be applied to the prepayment of the Senior Loan.

I. This Escrow Agreement will in no way be construed to vary or affect the rights or obligations of Borrower or any of the Funders under their respective Agreements, or of Borrower and the General Contractor under the Construction Contract or of Escrow Agent under any Policy (e.g., a Lender will not be obligated to fund its Loan Proceeds into the Escrow Account if, under the terms of its Agreement, it is not required to make an advance of such funds).

J. Term of Agreement. This Agreement shall terminate upon the issuance of the final title policy endorsements, to each Funder's satisfaction, described in Section IV(C)(2) and the disbursement in accordance herewith of all funds delivered to Escrow Agent.

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

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed and delivered as of the date first written above.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Marisa Novara
Its: Commissioner, Department Housing

By: _____
Its: Deputy Commissioner
Financial Control

CIBC BANK USA
a national banking association, as
Senior Lender

By: _____
Its: _____

CHICAGO HOUSING AUTHORITY,
an Illinois municipal corporation, as CHA Lender

By: _____
Its: _____

PARKSIDE FOUR PHASE II, LP, an Illinois limited partnership

By: PARKSIDE FOUR II, LLC, an Illinois limited liability company, its general partner

By: Parkside Associates, LLC, an Illinois limited liability company, its sole member

By: Holsten Real Estate Development Corporation, an Illinois corporation, a member

By: _____
Peter Holsten, President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member

By: _____
Name: _____
Title: _____

PARKSIDE ASSOCIATES, LLC, an Illinois limited liability company,

By: Holsten Real Estate Development Corporation, an Illinois corporation, a member

By: _____
Peter Holsten, President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member

By: _____
Name: _____
Title: _____

CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION,
an Illinois not-for-profit corporation

By: _____
Its: _____

Acknowledged and agreed to:

LINN-MATHES, INC., an Illinois corporation,
as Contractor

By: _____

Its: _____

Acknowledged and agreed to:

Greater Illinois Title Company, an Illinois corporation,
as Escrow Agent

By: _____

Its: _____

EXHIBIT A

A. PARTIES:

1. Parkside Four Phase II, LP, an Illinois limited partnership, referred to herein as the "Borrower", having an address at c/o Holsten Real Estate Development Corporation, 1020 West Montrose Avenue, Chicago, IL 60613; Attention: Peter Holsten.
2. CIBC Bank USA, a national banking association referred to herein as the "Senior Lender", having an address at 120 S. LaSalle Street, Chicago, IL 60603; Attn: Cheryl Wilson.
3. City of Chicago, Illinois having an address at its Department of Housing, City of Chicago, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: Commissioner.
4. Chicago Housing Authority, an Illinois municipal corporation, referred to herein as the "CHA Lender", having an address at 60 East Van Buren Street, Chicago, Illinois 60605; Attention: Chief Executive Director.
5. Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, referred to herein as "Cabrini LAC", having an address at 460 West Division, Chicago, IL 60610; Attention: President.
6. Greater Illinois Title Company, an Illinois corporation, referred to herein as the "Escrow Agent", having an address at 120 N. LaSalle, Suite 900, Chicago, IL 60602; Attention: Melinda Janczur.

B. Title Company: Greater Illinois Title Company, an Illinois corporation, as agent for Chicago Title Insurance Company, an Illinois corporation

EXHIBIT B
FUNDING OF THE PROJECT

I. Total amounts of the respective Equity, Loans or Grants:

Equity (Total)*	\$	3,438,100
Syndication Proceeds (L.P.) -	\$	3,438,000
General Partner -	\$	100
 City Loan (HOME):	 \$	 2,000,000
Senior Loan:	\$	14,299,776
CHA Loan:	\$	11,620,453
CHA Loan (DTC)	\$	4,781,804
LAC Loan (TIF Bridge)	\$	9,500,000
DCEO Grant	\$	264,269 ¹
GP Contribution (DTC)	\$	10,000
 TOTAL PROJECT COSTS	 \$	 45,914,402

*A portion of the syndication proceeds will be used to pay down the Senior Loan; the Equity amounts are subject to the terms, conditions and adjustments pursuant to that certain Amended and Restated Limited Partnership Agreement of Borrower, dated on or about the date hereof, as may be amended.

** Additionally, up to \$740,654.10 of Remediation Funds shall be funded through the Remediation Subaccount

II. Intentionally omitted.

III. Disbursements outside this Escrow Account:

a. Equity disbursed by the Borrower prior to the Closing Date (as defined in the City Loan Agreement), outside this Escrow Account and approved by the Funders as Equity contributions:

<u>Line Item</u>	<u>Amount</u>
	\$ _____
TOTAL:	\$ <u>0</u>

¹ The DCEO Grant shall be disbursed outside of this escrow to pay a portion of the Senior Loan.

EXHIBIT B, continued

b. Amounts disbursed on the Closing Date, but not disbursed into this Escrow Account:

<u>Line Item</u>	<u>Source</u>	<u>Amount</u>
Cash Collateral Funding	CHA	\$307,258.96
Predevelopment Loan	CHA	\$1,116,152
TOTAL:		\$1,423,410.96

c. Equity to be disbursed by the Borrower after the Closing Date, outside this Escrow Account and approved by the Funders as Equity contributions:

<u>Line Item</u>	<u>Amount</u>
Developer Fee	\$1,650,000
Operating Reserve	\$ 700,000
Tax Escrow	\$ 70,000
Insurance Escrow	\$ 60,000
Replacement Reserve	\$ 153,000
Repayment of Series A	\$3,750,507
TOTAL:	\$6,383,507

d. Amounts disbursed after the Closing Date, outside this Escrow Account, as part of Loans:

CDT Loan (Series A Takeout)	\$ 5,535,000
CHA Cash Collateral (Series B Takeout)	\$10,197,042.04
TOTAL:	\$15,732,042.04

EXHIBIT C

FUNDING OF THE ESCROW ACCOUNT

I. Total amount to be disbursed into the Escrow Account over the term of the Escrow Agreement:

Equity (Total)*	\$	3,438,100
City Loan (HOME):	\$	2,000,000
CIBC Senior Loan:	\$	14,299,776
CHA Loan (excludes PreDev Loan, Cash Collateral Funding):	\$	10,197,042.04
CHA Loan (DTC)	\$	4,781,804
LAC Loan (TIF Bridge)	\$	9,500,000
DCEO Grant	\$	264,269.2
GP Contribution (DTC)	\$	10,000
TOTAL PROJECT COSTS	\$	44,490,991.04

II. Amounts disbursed into the Escrow Account on the Closing Date, if any:

Cash Equity (Stratford Parkside Chicago Investors Limited Partnership):	\$3,438,000
City Loan (HOME):	\$0
CIBC Senior Loan (Series B):	\$307,258.96 ³
CHA Loan:	\$0
CHA Loan (DTC):	\$4,781,804
LAC Loan (TIF Bridge)	\$0
GP contribution (DTC)	\$ 10,000
GP contribution (LIHTC)	\$100
TOTAL:	\$ _____

* A portion of the total Equity funded over the term of the escrow will be used to repay the bridge loan.

** \$ _____ of the total Equity funded at closing will be used to fund ineligible costs during construction.

2 The DCEO Grant shall be disbursed outside of this escrow to pay a portion of the Senior Loan

3 This amount will be disbursed outside of this escrow to pay and reimburse Senior Lender for certain fees and expenses,

EXHIBIT D

ELIGIBLE AND INELIGIBLE COSTS

See attached draw schedule (entitled Monthly Sources & Uses). All line item costs shown to be funded by City HOME Loan are eligible. All other costs are eligible to be funded by City HOME Loan with the exception of the following ineligible costs:

1. Any reserves or escrow accounts
2. LIHTC Allocation and Reservation Fees

EXHIBIT E

SPECIAL PROVISIONS

None.

EXHIBIT F

ADDRESSES OF PARTIES FOR NOTICE

IF TO THE CITY: As set forth on Exhibit A hereto, with copies to:

Department of Finance
City of Chicago
121 North LaSalle Street, Suite 700
Chicago, Illinois 60602
Attention: Comptroller

and to: Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO THE BORROWER: As set forth on Exhibit A hereto, with copies to:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Nicole A. Jackson

Edwin F. Mandel Legal Aid Clinic
University of Chicago Law School
6020 S. University Avenue
Chicago, Illinois 60637
Attn: Jeff Leslie, Esq.

And to: Stratford Parkside Chicago Investors Limited Partnership
c/o Stratford Capital Group LLC
100 Corporate Place, Suite 404
Peabody, MA 01960
Attn: Asset Management (Parkside Four II)

And to: Holland & Knight LLP
10 St. James Avenue, 11th Floor
Boston, MA 02116
Attn: Jonathan I. Sirois, Esq.

IF TO THE SENIOR LENDER: As set forth on Exhibit A hereto, with copies to:

CIBC Bank USA
120 South LaSalle Street
Chicago, IL 60603
Attention: Cheryl Wilson, Managing Director

And Charity & Associates, P.C.

20 North Clark Street, Suite 1150
Chicago, IL 60602
Attention: Elvin E. Charity

IF TO THE CHA LENDER: As set forth on Exhibit A hereto, with copies to:

Chicago Housing Authority
60 East Van Buren
Chicago, Illinois 60605
Attention: Chief Executive Officer

and to: Chicago Housing Authority
Office of the General Counsel
60 East Van Buren
Chicago, Illinois 60605
Attention: General Counsel

and to: Reno & Cavanaugh
455 Massachusetts Ave., NW, Suite 400
Washington, D.C. 20001
Attn: Melissa Worden, Esq.

IF TO THE ESCROW AGENT: As set forth on Exhibit A hereto.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

**EXHIBIT M
PRIOR TIF OBLIGATIONS**

The City has the following obligations that have a prior lien on area-wide Incremental Taxes:

Senior Lien Tax Increment Allocation Bonds (Near North Redevelopment Project) Series 1999A and 1999B (the "Near North TIF Bonds"), which Near North TIF Bonds were authorized pursuant to an ordinance adopted by the City Council on January 20, 1999.

**PARKSIDE FOUR PHASE II RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

**EXHIBIT N
FORM OF CERTIFICATE OF COMPLETION**

Pursuant to Section 7.01 of that certain Parkside Four Phase Two Rental Project Redevelopment Agreement dated as of January 24, 2020 and recorded on January __, 2020 as document number 20 _____ in the office of the Cook County Recorder of Deeds (the "Agreement") by and among the City of Chicago, an Illinois municipal corporation (the "City"), and Parkside Four Phase II, LP, an Illinois limited partnership ("Partnership"), and Holsten Real Estate Development Corporation, an Illinois corporation ("Holsten"), and Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("LAC"), the City, through its Department of Planning and Development ("DPD"), hereby certifies as follows:

1. Final Completion of the Project. The Developer Parties have fulfilled their obligation to complete the Project (as defined in the Agreement) located on the property legally described on Exhibit A hereto, in accordance with the terms of the Agreement. Per Section 7.01, the Certificate of Completion requirements are as follows: (a) the City's Monitoring and Compliance unit has determined in writing that Partnership is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage), (b) the project, including all 102 residential units, the parking spaces and all related improvements, has been completed, (c) at least 80% of the residential units have been leased, and (d) the project has received a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer Parties have complied with building permit requirements.

2. Other Provisions of Agreement; No Waiver. Except with respect to the terms of the Agreement specifically related to the Developer Parties' obligation to complete the Project, which the City hereby certifies has been satisfied: (a) all executory terms and conditions of the Agreement and all representations and covenants contained therein remain in full force and effect; and (b) the issuance of this certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

[signature page follows]

IN WITNESS WHEREOF, the City has caused this Certificate of Completion for the Developer Parties to be executed this ___ day of _____, 20____.

CITY OF CHICAGO

Commissioner, Department of Planning and Development

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

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

GIVEN under my hand and official seal this ___ day of _____, 20____.

Notary Public

My commission expires: _____

EXHIBIT A – LEGAL DESCRIPTION – See attached

CITY OF CHICAGO, ILLINOIS
NEAR NORTH
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2020

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the Near North Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Near North Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements present only the activities of the Near North Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2020 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

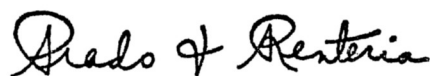
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 25, 2021

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Near North Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2020. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental funds financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$35,294,578 for the year. This was a decrease of 6 percent over the prior year. The change in net position produced an increase in net position of \$35,386,226. The Project's net position increased by 26 percent from the prior year making available \$102,339,397 (net of surplus distribution) of funding to be provided for purposes of future redevelopment in the Project's designated area.

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 173,698,030	\$ 136,347,161	\$ 37,350,869	27%
Total liabilities	<u>2,500,170</u>	<u>535,527</u>	<u>1,964,643</u>	367%
Total net position	<u>\$ 171,197,860</u>	<u>\$ 135,811,634</u>	<u>\$ 35,386,226</u>	26%
Total revenues	\$ 39,321,807	\$ 41,891,275	\$ (2,569,468)	-6%
Total expenses	<u>3,935,581</u>	<u>3,308,171</u>	<u>627,410</u>	19%
Other financing uses	<u>-</u>	<u>15,767,000</u>	<u>(15,767,000)</u>	-100%
Changes in net position	<u>35,386,226</u>	<u>22,816,104</u>	<u>12,570,122</u>	55%
Ending net position	<u>\$ 171,197,860</u>	<u>\$ 135,811,634</u>	<u>\$ 35,386,226</u>	26%

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2020

<u>A S S E T S</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 138,644,887	\$ -	\$ 138,644,887
Property taxes receivable	34,759,513	-	34,759,513
Accrued interest receivable	293,630	-	293,630
Total assets	<u>\$ 173,698,030</u>	<u>\$ -</u>	<u>\$ 173,698,030</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 2,037,420	\$ -	\$ 2,037,420
Due to other City funds	462,750	-	462,750
Total liabilities	<u>2,500,170</u>	<u>-</u>	<u>2,500,170</u>
Deferred inflows	<u>31,782,422</u>	<u>(31,782,422)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for surplus distribution (Note 2)	68,858,463	(68,858,463)	-
Restricted for future redevelopment project costs	<u>70,556,975</u>	<u>(70,556,975)</u>	<u>-</u>
Total fund balance	<u>139,415,438</u>	<u>(139,415,438)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 173,698,030</u>		
Net position:			
Restricted for surplus distribution (Note 2)		68,858,463	68,858,463
Restricted for future redevelopment project costs		<u>102,339,397</u>	<u>102,339,397</u>
Total net position		<u>\$ 171,197,860</u>	<u>\$ 171,197,860</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental fund	\$ 139,415,438
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>31,782,422</u>
Total net position - governmental activities	<u>\$ 171,197,860</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 34,398,642	\$ 895,936	\$ 35,294,578
Interest	4,027,229	-	4,027,229
	<hr/>	<hr/>	<hr/>
Total revenues	38,425,871	895,936	39,321,807
Expenditures/expenses:			
Economic development projects	3,935,581	-	3,935,581
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	34,490,290	(34,490,290)	-
Change in net position	-	35,386,226	35,386,226
Fund balance/net position:			
Beginning of year	104,925,148	30,886,486	135,811,634
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 139,415,438</u>	<u>\$ 31,782,422</u>	<u>\$ 171,197,860</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 34,490,290
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 895,936
Change in net position - governmental activities	<u>\$ 35,386,226</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In July 1997, the City of Chicago (City) established the Near North Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

The financial statements present only the activities of the Near North Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other special revenue funds of the City of Chicago, Illinois, as of December 31, 2020 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Accounting Policies*

The accounting policies of the Project are based upon accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(c) *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) and the governmental fund financial statements (i.e., the balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balance) report information on the Project. See Note 1(a).

(d) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

(d) *Measurement Focus, Basis of Accounting and Financial Statements Presentation (Concluded)*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(e) *Assets, Liabilities and Net Position*

Cash and Investments

Cash being held by the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned and fair market value adjustments on pooled investments are allocated to participating funds based on their average combined cash and investment balances. Since investment income is derived from pooled investments, the fair value measurement and fair value hierarchy disclosures of GASB 72 will not be separately presented in a note disclosure.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost.

Deferred Inflows

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

Capital Assets

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(f) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. Refer to Note 3 for reimbursements paid to the developer.

Note 2 – Surplus Distribution

In December 2020, the City declared a surplus within the fund balance of the Project in the amount of \$68,858,463. In January 2021, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 3 – Tax Abatement Payments

Under the terms of the redevelopment agreements, the Project paid the developers \$855,195 during the year ended December 31, 2020.

Note 4 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2020, the Project has entered into contracts for approximately \$7,174,303 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
NEAR NORTH REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 464,170
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	1,926,853
Costs of the construction of public works or improvements	689,363
Costs of construction of new housing units for low income and very low income households	<u>855,195</u>
	<u><u>\$ 3,935,581</u></u>



INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Near North Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2020, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 25, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Near North Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Prado & Renteria

June 25, 2021

INTERGOVERNMENTAL AGREEMENTS

FY 2020

FY 2020

TIF NAME: Near North Redevelopment Project Area

A list of all intergovernmental agreements in effect in FY 2020 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Near North High School-CHA-IGA	Improvements to school	\$1,926,853	
IGA- CPD- Seward Park	Improvements to park	\$197,298	