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NORTH TOWN VILLAGE REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

NTV LIMITED PARTNERSHIP, NTV II LIMITED PARTNERSHIP, AND
NORTH TOWN VILLAGE LLC

This agreement was prepared by
and after recording return to:
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(An asterisk(*) indicates which exhibits must be prepared and attached as exhibits prior to introduction to City Council.)

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after recording return to:
Steven J. Holler, Esq.
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

NORTH TOWN VILLAGE REDEVELOPMENT AGREEMENT

This North Town Village Redevelopment Agreement (this "Agreement") is made as of this 1st day of February, 2000, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development, NTV Limited Partnership, an Illinois limited partnership ("Rental Phase I Partnership"), NTV II Limited Partnership, an Illinois limited partnership ("Rental Phase II Partnership"), and North Town Village LLC, an Illinois limited liability company ("For Sale LLC"). Capitalized terms not otherwise defined herein shall have the meaning given in Section 2.

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions 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 Tax Increment Redevelopment Plan for the Near North Redevelopment Project Area"; (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"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The City has previously assembled and acquired certain properties located within the Redevelopment Area generally located north of West Scott Street, east of North Halsted Street, south of North Clybourn Avenue and west of North Larrabee Street in Chicago, Illinois 60610 and legally described on Exhibit B hereto (collectively, the "Property"). The City has also initiated certain site preparation work, including, without limitation, removal of a large hill and environmental investigation and remediation activities, in order to prepare the Property for the construction of the improvements contemplated by this Agreement.

The Project contemplated by this Agreement consists of three separate but interrelated projects that are intended to comprise a single redevelopment project: the Rental Phase I Project, the Rental Phase II Project and the For Sale Project. The objective of the Project is to create a 261 unit mixed-income residential housing development on the Property.

The Rental Phase I Project includes the construction of 116 rental units, of which 88 will be in a seven-story mid-rise building, 12 will be in two six-flats, and 16 will be in two eight-flats. Of the 116 units, 38 will be rented to private individuals at market rates (including one unit rented to a resident manager), 39 will be rented to the CHA for occupancy by CHA Residents for 40 years pursuant to the CHA Phase I Master Lease at the rents due

thereunder, and 39 will be rented to Tax Credit Tenants at Tax Credit Rents. On the Closing Date, the City will convey the Rental Phase I Property to Rental Phase I Partnership for One Dollar (\$1.00). Thereafter, and within the time frames set forth in Section 3.02 hereof, Rental Phase I Partnership will construct the Rental Phase I Improvements. Rental Phase I Partnership will thereafter remain the owner and operator of the Rental Phase I Property, which will be financed with the Rental Phase I Financing. With respect to such Rental Phase I Financing, unless the Commissioner, in his sole discretion, determines otherwise, and subject to such funding adjustments as may be necessary due to ineligible costs or other legal limitations relating to the applicable Lender Financing, the owner's equity and FHLBB Phase I Financing will be funded first, the CHA Phase I Financing and City Phase I Financing will be funded second, on a pro rata basis, and the IHDA Phase I Financing will be funded last.

The Rental Phase II Project includes the acquisition and leasing of the 40 CHA Phase II Units, which will be constructed by For Sale LLC as part of the For Sale Improvements within the time frames set forth in Section 3.02 hereof. The 40 CHA Phase II Units will consist of and/or be located in townhomes, coach houses, six-flats, eight-flats and other multi-family buildings distributed throughout the For Sale Property. Multi-family buildings including CHA Phase II Units will also include For Sale Units. The construction of any buildings that include only CHA Phase II Units will be financed with the Rental Phase II Financing. The construction of any buildings that include CHA Phase II Units and any For Sale Units will be financed both with the For Sale Financing and the Rental Phase II Financing. In such instance, the For Sale Financing will generally finance the proportionate costs of the For Sale Units and the Rental Phase II Financing will finance the proportionate costs of the CHA Phase II Units in such building, as shall be more specifically described in the For Sale Escrow Agreement. With respect to the Rental Phase II Financing, unless the Commissioner, in his sole discretion, determines otherwise, and subject to such adjustments as may be necessary due to ineligible costs or other legal limitations relating to the Lender Financing, owner's equity and FHLBB Phase II Financing will be funded first and, after all such amounts have been fully funded, the City Phase II Financing and CHA Phase II Financing will be funded, on a pro rata basis.

After For Sale LLC completes construction of each building consisting of or including a CHA Phase II Unit, the building will be converted into a condominium by adding and including such building within the North Town Village Condominium Development. For Sale LLC will then sell each of the 40 CHA Phase II Units to

Rental Phase II Partnership on or about the time of such conversion, which shall lease these units to the CHA for occupancy by CHA Residents for 40 years pursuant to the CHA Phase II Master Lease at the rents due thereunder. At the time of each such sale, Rental Phase II Partnership shall separately assume a portion of the Rental Phase II Financing attributable to the CHA Phase II Units that have been transferred, while remaining jointly and severally liable with For Sale LLC for the construction financing for buildings including CHA Phase II Units that have not yet been transferred.

The For Sale Project includes the construction of the For Sale Improvements, which include the 40 CHA Phase II Units described above, and an additional 105 For Sale Units, of which 93 shall be market rate units and 12 shall be Affordable For Sale Units. These 105 For Sale Units will consist of and/or be located within townhomes, coach houses, six-flats, eight-flats and other multi-family buildings distributed throughout the For Sale Property. The construction of any buildings that include only For Sale Units will be financed with the For Sale Financing. The construction of any buildings that include both CHA Phase II Units and For Sale Units will be financed as described in the fourth paragraph of this Recital D.

After For Sale LLC completes construction of a building consisting of or including any For Sale Units, the building will be converted into a condominium by adding and including such building within the North Town Village Condominium Development. For Sale LLC will then sell the For Sale Units to private purchasers and any Affordable For Sale Units to qualified buyers.

After the Closing Date and prior to the conveyance of the initial units in the For Sale Project, For Sale LLC shall form the North Town Village Condominium Association, record the Condominium Plat, and record the Condominium Declaration, which shall be in a form acceptable to the Commissioner, in his sole discretion.

On the Closing Date, the City will convey the For Sale Property to For Sale LLC for the Purchase Price, subject to adjustment in accordance with Section 3.01(a). The City will, however, retain the right to go on all of the Property at such times as it deems necessary to complete certain ongoing environmental remediation work applicable to certain portions of the Property with the intent of obtaining one or more "No Further Remediation Letters" covering portions of the Property from the Illinois Environmental Protection Agency pursuant to the Illinois Site Remediation Program, 415 ILCS 5/58, et seq.

As part of the Project, For Sale LLC will also construct the Burling/Evergreen Improvements. Certain utility, telecommunication and cable companies will also construct certain improvements necessary to provide utility and other services for the Project. The City's acquisition of the Property, the City's conveyance of the Rental Phase I Property and the For Sale Property, the construction of the Rental Phase I Improvements, the Rental Phase II Improvements, the For Sale Improvements, the Burling/Evergreen Improvements and the Shared Common Area Improvements and the related improvements to be constructed by the utility, telecommunication and cable companies, and the prior and continuing environmental investigation and remediation work, together with the operation of the Property in accordance with this Agreement and the Governing Documents, is collectively referred to herein as the "Project." The Project includes those TIF-Funded Improvements set forth on Exhibit C. The completion of the Project would not reasonably be anticipated without the City Funds to be disbursed pursuant to this Agreement. But for the Developer Parties' execution of this Agreement, the City would be unwilling to convey any portion of the Property or provide the City Funds or other City financing for the Project.

Except as otherwise explicitly provided for herein, the parties intend that this Agreement be construed and enforced so that the Project will at all times be constructed and operated as a single redevelopment project. Therefore, the parties have agreed to impose the maintenance and cost-sharing covenants set forth in the Common Area Agreement as covenants running with the land in order to assure a uniform level of maintenance, repair and replacement for the Shared Common Area Improvements and an equitable sharing of such costs by all subsequent owners of the Property, or any portion thereof. Such maintenance, repair and replacement covenants shall initially be performed by For Sale LLC. Upon For Sale LLC's transfer of control of the North Town Village Condominium Association to a duly elected board of managers, such covenants shall be performed by the board of managers, on behalf of the North Town Village Condominium Association and for the shared benefit of Rental Phase I Partnership and the owners of the For Sale Property (including Rental Phase II Partnership), together with all such owners' permitted successors and permitted assigns. The parties have further agreed in the Common Area Agreement to grant certain reciprocal easement rights respecting the common use and enjoyment of Shared Common Area Improvements.

In addition, the parties have agreed to impose certain affordability requirements applicable to the Project; to provide for the payment of City Funds for certain TIF-Funded Improvements; to provide the City certain rights and remedies to assure that the

above objectives are realized; and to provide for the other undertakings set forth in this Agreement by the respective parties.

The description of the Project in this Recital D describes the actual Project to be built, the financing for such Project and the required operation of such Project. The terms of this Agreement shall be binding upon the Developer Parties, the North Town Village Condominium Association, and all successors in title to any portion of the Property, provided, however, that no individual purchasers of For Sale Units shall have any obligation to perform the construction obligations of any Developer Party.

E. Redevelopment Plan and Governing Documents: The Project will be carried out in accordance with (i) this Agreement, (ii) the City of Chicago Near North Redevelopment Area Tax Increment Financing Program Redevelopment Plan attached hereto as Exhibit D, as amended from time to time (the "Redevelopment Plan"), (iii) the Clybourn/Ogden Redevelopment Plan and the Residential Planned Development, and all other Governing Documents.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.02(b) hereof, a portion of the proceeds (the "TIF Bond Proceeds") of its Senior Lien Tax Increment Allocation Bonds (Near North Redevelopment Project), Taxable Series 1999B (the "TIF Bonds") issued pursuant to an ordinance adopted by the City Council on February 10, 1999 (the "TIF Bond Ordinance") and/or Incremental Taxes to the extent available for such purpose to pay for or reimburse For Sale LLC for the costs of TIF-Funded Improvements, all pursuant to the terms and conditions of this Agreement. The TIF Bonds are secured by, among other things, certain pledged Incremental Taxes. TIF Bond Proceeds may also be used to reimburse the City for the costs of TIF-Funded Improvements made prior to (but not before the effective date of the TIF Adoption Ordinance) or after the date of this Agreement. The Developer Parties agree that adequate consideration exists for each such Developer Party's execution of this Agreement.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Act" shall mean the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as the same may be amended from time to time.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with any Developer Party, Holsten, Harold Lichterman or Geraldine Lichterman.

"Affordable For Sale Units" shall mean the 12 For Sale Units, the base purchase price (excluding upgrades and additional amenities) of which shall not exceed a price affordable to a qualified buyer whose income is 120% of AMI, such price and buyer qualifications to be determined in accordance with the DOH regulations and guidelines applicable to the New Homes For Chicago program, or such other comparable regulations or guidelines as DOH deems appropriate.

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

"Annual Contributions Contract" shall mean the Annual Contributions Contract Number C-1150 dated July 19, 1988 between the CHA and HUD, as amended from time to time, and the Annual Contributions Contract C-1014 dated June 13, 1972 between the CHA and HUD, as amended from time to time.

"Architect" shall mean Bauhs Dring Main Limited, an Illinois limited partnership.

"Bank One" shall mean Bank One, N.A., a national banking association, its successors and assigns, or such other private lender which is providing construction financing for the For Sale Improvements.

"Bank One Financing" shall mean the financing described in Item C.1 of Exhibit E attached hereto.

"Burling/Evergreen Improvements" shall mean the construction and installation of sewers, water lines, roads, curbs, signage,

lighting and related infrastructure comprising or relating to the portions of Burling Street and Evergreen Avenue located or to be located within the Property, certain sidewalk and landscaping work and public improvements which may be made on Halsted Street and Scott Street, and any associated work necessary to tie such improvements into existing or planned improvements on the Property, all in accordance with the Burling/Evergreen Improvements Plans and Specifications and all City standards applicable to the construction, dedication and acceptance of such improvements, or any portion thereof.

"Burling/Evergreen Improvements Construction Contract" shall mean that certain construction contract, substantially in the form of Exhibit F-1 attached hereto, to be entered into between For Sale LLC and the Burling/Evergreen Improvements General Contractor.

"Burling/Evergreen Improvements General Contractor" shall mean Linn Mathes Construction Company, an Illinois corporation, or such other general contractor as may be selected in accordance with Section 6.

"Burling/Evergreen Improvements Plans and Specifications" shall mean the final construction documents containing a site plan and working drawings and specifications for the Burling/Evergreen Improvements, as approved in accordance with Section 3.03 hereof.

"Burling/Evergreen Plat" shall mean the plat to be recorded by the City vacating portions of Ogden Avenue and opening the public way for North Burling Street and West Evergreen Street in order to reestablish the street grid for the Project.

"Burling/Evergreen Property" shall mean the land depicted on the Plat of Subdivision attached hereto as Exhibit G consisting of the street grid for West Burling Avenue and North Evergreen Street, together with a circular "round-about" area at the intersection of such streets, together with all improvements thereon (whether now existing or hereafter constructed) and all easements, rights, interests and appurtenances thereto.

"Certificate" shall mean each of the separate Certificates of Completion issued regarding the construction of the Rental Phase I Improvements and the For Sale Improvements, as described in Section 7.01 hereof.

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

"CHA Phase I Declaration of Restrictive Covenants" shall mean the Declaration of Restrictive Covenants dated as of the Closing Date between the CHA and Rental Phase I Partnership.

"CHA Phase I Financing" shall mean the financing described in Item A.4 of Exhibit E attached hereto.

"CHA Phase I Financing Documents" shall mean all documents evidencing, securing and relating to the CHA Phase I Financing.

"CHA Phase I Master Lease" shall mean the lease to be executed concurrently by Rental Phase I Partnership and the CHA leasing the CHA Phase I Units to the CHA for a period of 40 years.

"CHA Phase I Regulatory and Operating Agreement" shall mean the Regulatory and Operating Agreement dated February 1, 2000 between the CHA and Rental Phase I Partnership to be executed with respect to the CHA Phase I Units.

"CHA Phase I Units" shall mean the 39 floating (as compared to fixed) units that are to be constructed as part of the Rental Phase I Improvements which, upon completion, shall be leased to the CHA pursuant to the CHA Phase I Master Lease.

"CHA Phase II Declaration of Restrictive Covenants" shall mean the Declaration of Restrictive Covenants between the CHA and Rental Phase II Partnership and For Sale LLC to be entered into in connection with the CHA Phase II Financing and recording on the Closing Date.

"CHA Phase II Financing" shall mean the financing described in Item B.3 of Exhibit E attached hereto.

"CHA Phase II Financing Documents" shall mean all documents evidencing, securing and relating to the CHA Phase II Financing.

"CHA Phase II Master Lease" shall mean the lease to be executed by and between Rental Phase II Partnership and the CHA leasing the CHA Phase II Units to the CHA for a period of 40 years.

"CHA Phase II Regulatory and Operating Agreement" shall mean the Regulatory and Operating Agreement to be executed by and between the CHA and Rental Phase II Partnership with respect to the CHA Phase II Units.

"CHA Phase II Units" shall mean the 40 units that are to be constructed as part of the Rental Phase II Improvements which, upon

completion, shall be converted to condominium units, sold to Rental Phase II Partnership and leased to the CHA pursuant to the CHA Phase II Master Lease.

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

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

"City Funds" shall mean the funds described in Section 4.02(b) hereof.

"City Phase I Financing" shall mean the financing described in Item A.3 of Exhibit E attached hereto.

"City Phase I Financing Documents" shall mean all documents evidencing, securing and relating to the City Phase I Financing.

"City Phase I Regulatory Agreement" shall mean the Regulatory Agreement between Rental Phase I Partnership and the City dated February 1, 2000.

"City Phase II Financing" shall mean the financing described in Item B.2 of Exhibit E attached hereto.

"City Phase II Financing Documents" shall mean all documents evidencing, securing and relating to the City Phase II Financing.

"City Phase II Regulatory Agreement" shall mean that certain Regulatory Agreement between Rental Phase II Partnership and the City to be executed in connection with the City Phase II Financing.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall in no event be later than December 31, 1999, unless the Commissioner of DPD, in his sole discretion, shall have consented to an extension of such closing date, as evidenced by his execution of this Agreement bearing a date later than December 31, 1999.

"Closing Date Title Policies" shall mean for both the Rental Phase I Property and the For Sale Property, a title insurance policy in the most recently revised ALTA or equivalent form,

showing Rental Phase I Partnership and For Sale LLC, respectively, as the insured and noting the recording of this Agreement and the Common Area Agreement as prior encumbrances against the Property.

"Clybourn/Ogden Redevelopment Plan" shall mean the Clybourn/Ogden Redevelopment Plan, as approved by the City Council on December 20, 1967, as amended by Amendment No. 1 on July 13, 1977, Amendment No. 2 on April 5, 1978, Amendment No. 3 on September 13, 1978, Amendment No. 4 on August 26, 1986, Amendment No. 5 dated February 5, 1998, Amendment No. 6 dated February 10, 1999, Amendment Nos. 7, 8 and 9 dated November 3, 1999, and as the same may be further amended from time to time.

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

"Common Area Agreement" shall mean the North Town Village Common Area Agreement, which shall be recorded after this Agreement, shall grant certain reciprocal easements between the Rental Phase I Property and the For Sale Property, shall establish certain responsibilities for the maintenance, repair and replacement of the Shared Common Areas and the sharing of associated costs, and which shall be substantially in the form attached as Exhibit H hereto, with such changes as may be agreed to by the Commissioner, in his sole discretion.

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

"Condominium Declaration" shall mean the Declaration of Condominium for the North Town Village Condominium Association, including the Bylaws and Rules and Regulations attached as exhibits thereto, which shall be in a form acceptable to the Commissioner, in his sole discretion.

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

"Corporation Counsel" shall mean the Corporation Counsel of the City.

"Developer Party" shall mean one or more of Rental Phase I Partnership, Rental Phase II Partnership, For Sale LLC, the General

Partner and the Managing Member, as the context may require. "Developer Parties" shall mean all of such entities.

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

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

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

"Environmental Laws" shall mean any and all federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" shall mean funds of the Developer Parties (other than funds derived from Lender Financing) and including, without limitation, Rental Phase I Tax Credit Equity and Rental Phase II Tax Credit Equity, available for the Project, in the amounts set forth in Items A.1 and B.1 of Exhibit E attached hereto, which amount may be increased pursuant to Section 4.05 or Section 4.02(b).

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

"FHLBB" shall mean the Federal Home Loan Bank Board, or a member bank thereof.

"FHLBB Phase I Financing" shall mean the financing described on Item A.5 of Exhibit E attached hereto.

"FHLBB Phase II Financing" shall mean the financing described on Item B.4 of Exhibit E attached hereto.

"Financial Statements" shall mean, for Rental Phase I Partnership, Rental Phase II Partnership and For Sale LLC, complete audited financial statements of such Developer Parties prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, or such other financial statements as may be acceptable to DOH, in its sole discretion. For the other Developer Parties, "Financial Statements" shall mean such unaudited, reviewed financial statements or such other financial statements as may be reasonably acceptable to DOH.

"For Sale Closing Date" shall mean the date on which the conditions precedent set forth in Section 5.02 are satisfied.

"For Sale Escrow" shall mean the construction escrow established pursuant to the For Sale Escrow Agreement.

"For Sale Escrow Agreement" shall mean the For Sale Escrow Agreement establishing the For Sale Escrow, by and among the City, the CHA, and Bank One, as lenders of the For Sale Financing, the Title Company (or an affiliate of the Title Company), as escrow agent, and Rental Phase II Partnership and For Sale LLC, as borrowers, which shall be in a form mutually acceptable to such parties.

"For Sale Financing" shall mean the financing described in Item C of Exhibit E attached hereto.

"For Sale Improvements" shall mean the construction of 145 residential units (which number includes the CHA Phase II Units) on the For Sale Property, in accordance with the For Sale Plans and Specifications.

"For Sale Improvements Construction Contract" shall mean the construction contract between For Sale LLC and the For Sale Improvements General Contractor, to be approved by DOH in accordance with Section 6.02.

"For Sale Improvements General Contractor" shall mean the general contractor for the For Sale Improvements, as selected in accordance with Section 6.

"For Sale LLC" shall mean North Town Village LLC, an Illinois limited liability company, its permitted successors and permitted assigns.

"For Sale Permitted Liens" shall mean those liens and encumbrances against the For Sale Property set forth on Exhibit I hereto, and such other liens or encumbrances against the For Sale Property as may be set forth in the Closing Date Title Policy delivered hereunder which are acceptable to DOH, in its sole discretion, and liens being contested in accordance with Section 8.15.

"For Sale Plans and Specifications" shall mean the final construction documents containing a site plan and working drawings and specifications for the For Sale Improvements, as approved in accordance with Section 3.03(b) hereof.

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

"For Sale Project" shall mean the construction and operation of the portion of the Project described in the sixth, seventh and eighth paragraphs of Recital D.

"For Sale Property" shall mean the real property legally described and identified on the Plat, excluding only the Burling/Evergreen Property and lots 1, 3, 26, 31 and 32, together with all improvements thereon (whether now existing or hereafter constructed) and all easements, rights, interests and appurtenances thereto. Upon submission of such real property, or any portion thereof, to the Condominium Act and the creation of separate condominium units, the For Sale Property shall mean and include such separate condominium units, together with their undivided interests in the common elements.

"For Sale Units" means all of the residential housing units to be constructed on the For Sale Property to be sold to private purchasers, including the 12 Affordable For Sale Units, but expressly excluding the 40 CHA Phase II Units.

"General Contractor" shall mean each of the Rental Phase I Improvements General Contractor, the For Sale Improvements General Contractor, and the Burling/Evergreen Improvements General Contractor, as applicable.

"General Partner" shall mean, as applicable, NTV Development Corporation, an Illinois corporation, the general partner of Rental Phase I Partnership, or NTV II Development Corporation, the general partner of Rental Phase II Partnership, together with any additional or successor general partner permitted hereunder.

"Governing Documents" shall mean this Agreement and all Exhibits attached hereto, the Redevelopment Plan, the Plat, the Common Area Agreement, the Condominium Plat, the Condominium Declaration, the Clybourn/Ogden Redevelopment Plan, the Residential Planned Development, the TIF Bond Ordinance, the TIF Bonds, the TIF Ordinances, the Scope Drawings, the Plans and Specifications, Project Budget, the Annual Contribution Contract, the CHA Phase I Regulatory and Operating Agreement, the CHA Phase I Declaration of Restrictive Covenants, the CHA Phase II Declaration of Restrictive Covenants, the CHA Phase I Master Lease, the CHA Phase II Master Lease, the CHA Phase II Regulatory and Operating Agreement and all amendments thereto, and all federal, State and local laws, ordinances, rules, regulations, executive orders and codes from time to time applicable to the Project, the Property and/or the Developer Parties.

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

"Holsten" shall mean Peter M. Holsten, individually.

"Holsten REDC" shall mean Holsten Real Estate Development Corporation, an Illinois corporation.

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

"IHDA" shall mean the Illinois Housing Development Authority, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., its successors and assigns.

"IHDA Phase I Extended Use Agreement" shall mean the Extended Use Agreement between IHDA and Rental Phase I Partnership dated February 1, 2000,

"IHDA Phase I Financing" shall mean the financing described in Item A.2 of Exhibit E attached hereto.

"IHDA Phase I Financing Documents" shall mean all documents evidencing, securing and relating to the IHDA Phase I Financing.

"IHDA Phase I Regulatory Agreement" shall mean the Regulatory Agreement between IHDA and Rental Phase I Partnership dated February 1, 2000.

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

"Intercreditor Agreement" shall mean an intercreditor agreement by and among IHDA, as lender of the IHDA Phase I Financing, the City, as provider of the City Funds and as lender of the City Phase I Financing and the City Phase II Financing, the CHA, as lender of the CHA Phase I Financing and CHA Phase II Financing, Bank One, as lender of the Bank One Financing, and reflecting the acknowledgment and approval thereby of Rental Phase I Partnership, Rental Phase II Partnership and For Sale LLC, as borrowers. The Intercreditor Agreement shall be in substantially the form of Exhibit K attached hereto, with such changes as may consented to by the Commissioner, in his sole discretion.

"Lender Financing" shall mean funds borrowed by (a) with respect to the Rental Phase I Improvements, Rental Phase I Partnership, and (b) with respect to the For Sale Improvements, For Sale LLC and Rental Phase II Partnership, available to pay for the costs of construction of such improvements, as applicable, and identified on Exhibit E attached hereto.

"Lichtermans" shall mean Harold and Geraldine Lichterman, as individuals.

"Managing Member" shall mean Harold Lichterman, the sole managing member of For Sale LLC, or such other person(s) or entity as shall be acceptable to the Commissioner.

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

"Municipal Code" shall mean the Municipal Code of the City.

"Near North Redevelopment Project Area Special Tax Allocation Fund" shall mean the special tax allocation fund created by the

City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"Non-CHA Tax Credit Units" shall mean the 39 units in the Rental Phase I Improvements that are to be occupied by Tax Credit Tenants and that are not leased by the CHA pursuant to the CHA Phase I Master Lease.

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

"North Town Village Condominium Association" shall mean the North Town Village Condominium Association, an Illinois not-for-profit corporation to be hereafter created in accordance with Section 18.1 of the Condominium Act, 765 ILCS 605/18.1, to operate the North Town Village Condominium Development on behalf of the unit owners of the For Sale Improvements and to perform the duties set forth in the Common Area Agreement relating to the Shared Common Area Improvements.

"North Town Village Condominium Development" shall mean construction of the For Sale Improvements, the Burling/Evergreen Improvements and the construction of all Shared Common Area Improvements and all landscaping in accordance with the For Sale Plans and Specifications and the Burling/Evergreen Plans and Specifications, and the conversion of all such privately-owned real property and improvements to a condominium form of ownership under the Condominium Act in accordance with this Agreement.

"Payment L/C" shall mean, to the extent required under the following definition, an irrevocable direct pay letter of credit issued by a financial institution and in a form acceptable to DOH, in its sole discretion, naming the City as the sole beneficiary, providing by its terms for payment to the City upon the City's submission of a certificate stating that it is entitled to draw upon such Payment L/C under the terms of this Agreement. The Payment L/C shall be in an amount equal to the aggregate amount of any developer's fee, commissions or payments (other than payments representing reimbursement of Project costs, or amounts to cover the payment of For Sale LLC's tax liability, or its' members tax liability, with respect to the sale of For Sale Units) set forth in the Project Budget to be paid to For Sale LLC or any Affiliate of For Sale LLC prior to the issuance of the Certificate for the For Sale Project. In the event that such developer's fees, commissions or payments are to be paid to more than one Developer Party, then in lieu of a single Payment L/C, the applicable Developer Parties may deliver two or more letters of credit, having the terms

described above, having an aggregate principal balance equal to all such payments, based on the allocation of all such payments among the Developer Parties. The Payment L/C(s) shall terminate on the date the City issues its Certificate for the For Sale Project.

"Permitted Liens" shall mean the Rental Phase I Permitted Liens and the For Sale Permitted Liens.

"Plans and Specifications" shall mean, with respect to each of the Rental Phase I Improvements, the For Sale Improvements and the Burling/Evergreen Improvements, final construction documents containing a site plan and working drawings and specifications for such improvements, and including drawings and specifications for the landscaping and signage for the Project.

"Plat" shall mean the plat of subdivision recorded prior to the recording of this Redevelopment Agreement in the Recorder's Office of Cook County and attached hereto as Exhibit G.

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

"Private Parcel" shall mean the privately owned parcel legally described on Exhibit L attached hereto. The Private Parcel includes a portion of the Rental Phase I Property, the For Sale Property and the Burling/Evergreen Property.

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

"Project Budget" shall mean the budget attached hereto as Exhibit M-1, showing the total construction cost of the Project improvements by line item, furnished to DOH, in accordance with Section 3.04 hereof.

"Purchase Price" shall mean the sum of (a) One Dollar (\$1.00), plus (b) the City's cost of acquiring the Private Parcel.

"Recorded Affordability Documents" shall mean this Agreement, the IHDA Phase I Extended Use Agreement, the IHDA Phase I Regulatory Agreement, the CHA Phase I Declaration of Restrictive Covenants, the City Phase I Regulatory Agreement, the City Phase II Regulatory Agreement, the CHA Phase II Declaration of Restrictive Covenants and the CHA Phase I Master Lease and CHA Phase II Master Lease (or recorded memoranda thereof).

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are

included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Rental Phase I Escrow" shall mean the construction escrow established pursuant to the Rental Phase I Escrow Agreement.

"Rental Phase I Escrow Agreement" shall mean the Rental Phase I Escrow Agreement by and among the City, the CHA and IHDA, as lenders of the Rental Phase I Financing, the Title Company (or an affiliate of the Title Company), as escrow agent, and Rental Phase I Partnership, as borrower, in substantially in the form of Exhibit N attached hereto, or in such other form as shall be acceptable to the Commissioner, in his sole discretion.

"Rental Phase I Financing" shall mean the financing described in Item A of Exhibit E attached hereto.

"Rental Phase I Improvements" shall mean the construction of one seven-story building, two six-flat buildings and two eight-flat buildings, for a total of 116 residential units, on the Rental Phase I Property, together with the related improvements and landscaping in accordance with the Rental Phase I Plans and Specifications.

"Rental Phase I Improvements Construction Contract" shall mean that certain contract, substantially in the form of Exhibit F-2 attached hereto, to be entered into between Rental Phase I Partnership and the Rental Phase I Improvements General Contractor.

"Rental Phase I Improvements General Contractor" shall mean Linn Mathes Construction Company, an Illinois corporation.

"Rental Phase I Limited Partner" shall mean Apollo Housing Capital, L.L.C., an Illinois limited liability company, or such other tax credit syndication source acceptable to the City, together with its permitted successors and permitted assigns.

"Rental Phase I Partnership" shall mean NTV Limited Partnership, an Illinois limited partnership, its successors and assigns, as permitted hereunder.

"Rental Phase I Permitted Liens" shall mean those liens and encumbrances against the Rental Phase I Property set forth on Exhibit I hereto, and such other liens or encumbrances as may be set forth in the Closing Date Title Policy delivered hereunder which are acceptable to DOH, in its sole discretion, and liens being contested in accordance with Section 8.15.

"Rental Phase I Plans and Specifications" shall mean the final construction documents containing a site plan and working drawings and specifications for the Rental Phase I Improvements, as approved in accordance with Section 3.03 hereof.

"Rental Phase I Project" shall mean the construction and operation of the portion of the Project described in the third paragraph of Recital D.

"Rental Phase I Property" shall mean the parcels of real property legally described on the Plat as lots 1, 3, 26, 31 and 32, together with all improvements thereon (whether now existing or hereafter constructed) and all easements, rights, interests and appurtenances thereto.

"Rental Phase I Tax Credit Equity" shall mean funds of Rental Phase I Partnership to be derived from the sale of limited partnership interests in Rental Phase I Partnership in an amount not less than the amount set forth in Item A.1 of Exhibit E attached hereto, or such other amount as may be acceptable to the Commissioner, in his sole discretion.

"Rental Phase II Financing" shall mean the financing described in Item B of Exhibit E attached hereto.

"Rental Phase II Improvements" shall mean the construction of the 40 CHA Phase II Units, together with the related improvements and landscaping in accordance with the For Sale Plans and Specifications.

"Rental Phase II Limited Partner" shall mean Apollo Housing Capital, L.L.C., an Illinois limited liability company, or such other tax credit syndication source acceptable to the City, together with its permitted successors and permitted assigns.

"Rental Phase II Partnership" shall mean NTV II Limited Partnership, an Illinois limited partnership, its successors and assigns, as permitted hereunder.

"Rental Phase II Project" shall mean the acquisition and operation of the portion of the Project described in the fourth and fifth paragraphs of Recital D.

"Rental Phase II Tax Credit Equity" shall mean funds of Rental Phase II Partnership to be derived from the sale of limited partnership interests in Rental Phase II Partnership in an amount not less than the amount set forth in Item B.1 Exhibit E attached

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

"Residential Planned Development" shall mean the zoning reclassification and Plan of Development Statements approved by the City Council on May 12, 1999 and published in the Journal of Proceedings of the City Council at pages 3248-3271.

"Scope Drawings" shall mean, for each of the Rental Phase I Improvements, the For Sale Improvements and the Burling/Evergreen Improvements, the applicable preliminary construction documents containing a site plan and preliminary drawings and specifications for such improvements.

"Shared Common Areas" shall mean the areas designated as common areas on Exhibit B to the Common Area Agreement, provided, however, that to the extent that the Condominium Declaration designates any Shared Common Areas within the For Sale Property as limited common elements, the cost of maintaining, repairing and replacing such areas and any improvements located thereon shall be allocated solely to the applicable condominium unit owner(s) and shall not be covered by the Common Area Agreement.

"Shared Common Area Improvements" shall mean the paved parking surfaces, sidewalks, utilities, landscaped areas, sculpture, community rooms and other common areas and improvements located in the Shared Common Areas and depicted in the For Sale Plans and Specifications, as the same may be further improved from time to time.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the applicable portion of the Project improvements and related improvements as required by the City or lender(s) providing Lender Financing).

"Tax Credit Tenants" shall mean persons renting units in the Rental Phase I Improvements or the Rental Phase II Improvements who meet the tenant eligibility set forth in Internal Revenue Code Section 42.

"Tax Credit Rents" shall mean rents charged for units in the Rental Phase I Project which comply with the rent restrictions set forth in Internal Revenue Code Section 42.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of: (a) the date on which all TIF Bonds, if any, evidencing tax increment financing under the Act secured in whole or in part by Incremental Taxes generated by the Project shall be redeemed; or (b) July 29, 2020, or such later date (but not later than December 31, 2021) as may be elected by the City for the existence of the Redevelopment Area.

"TIF Bonds" shall have the meaning given in Recital F.

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

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

"TIF-Funded Improvements" shall mean those improvements and costs of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan, and (iii) the City has agreed to pay for out of the TIF Bond Proceeds and/or available Incremental Taxes, subject to the terms of this Agreement.

"TIF-Funded Improvements Escrow" shall mean the escrow established pursuant to the TIF-Funded Improvements Escrow Agreement.

"TIF-Funded Improvements Escrow Agreement" shall mean the TIF-Funded Improvements Escrow Agreement establishing the TIF-Funded Improvements Escrow, by and among the City, as provider of City Funds, the Title Company (or an affiliate of the Title Company), and For Sale LLC, which shall be in a form mutually acceptable to such parties and shall be the escrow through which certain Burling/Evergreen Improvements are funded.

"Title Company" shall mean Title Services of Illinois.

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

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's

Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

SECTION 3. THE PROJECT

3.01. Closing Date Recordings and Conveyances. On the Closing Date, the following, among other things, shall occur: (a) the City will record the Burling/Evergreen Plat; (b) the City will record the Plat; (c) the CHA will record the CHA Phase I Declaration of Restrictive Covenants and a memorandum of the CHA Phase I Master Lease against the Rental Phase I Property and the CHA Phase II Declaration of Restrictive Covenants against the For Sale Property; (d) the City will record this Agreement against the entire Property; (e) the City will convey the Rental Phase I Property to Rental Phase I Partnership for \$1.00; (f) the City will convey the For Sale Property to For Sale LLC for the Purchase Price; and (g) Rental Phase I Partnership and For Sale LLC will record the Common Area Agreement against the entire Property.

(a) Payment of Purchase Price. The payment by For Sale LLC of the Purchase Price shall be made from City Funds paid to For Sale LLC in accordance with Section 4.02. In the event that the City has previously paid the owner of the Private Parcel all or any portion of the Purchase Price using City Funds, the amount of City Funds reserved under Section 4.02 shall be reduced by an amount equal to the amount paid to such owner and the amounts so paid credited against the Purchase Price payable by For Sale LLC.

(b) Form of Deed. The City will convey the Rental Phase I Property to Rental Phase I Partnership and the For Sale Property to For Sale LLC by separate quitclaim deeds.

(c) Condition of Title. The City's conveyance of the Rental Phase I Property and the For Sale Property shall, in addition to the provisions of this Agreement, be subject to:

- (i) the Governing Documents (whether recorded or unrecorded);
- (ii) the standard exceptions in an ALTA insurance policy;
- (iii) all general real estate taxes not yet due and payable;

(iv) all easements, encroachments, covenants and restrictions of record and not shown of record; and

(v) such other title defects as may exist.

(e) Escrow. The conveyance of the Rental Phase I Property and the Rental Phase I Financing and the conveyance of the For Sale Property shall occur on the Closing Date pursuant to the Rental Phase I Escrow Agreement or any required ancillary escrow instructions.

3.02 The Project. (a) Rental Phase I Project. Rental Phase I Partnership, in accordance with the Rental Phase I Plans and Specifications; and subject to the provisions of Section 3.02(d) below and Section 18.17 hereof, shall (i) commence the Rental Phase I Improvements no later than March 1, 2000, (ii) complete the Rental Phase I Improvements no later than February 1, 2002, and (iii) have the 39 CHA Phase I Units leased pursuant to the CHA Phase I Master Lease no later than June 1, 2002.

(b) Rental Phase II Project. For Sale LLC and Rental Phase II Partnership, as applicable, in accordance with the For Sale Plans and Specifications, and subject to the provisions of Section 3.02(d) below and Section 18.17 hereof, shall (i) commence the Rental Phase II Improvements no later than July 1, 2000, (ii) complete the Rental Phase II Improvements no later than October 1, 2003, (iii) convey all CHA Phase II units to Rental Phase II Partnership no later than October 1, 2003, and (iv) have all such CHA Phase II Units leased pursuant to the CHA Phase II Master Lease no later than October 1, 2003.

(c) For Sale Project. For Sale LLC, in accordance with the For Sale Plans and Specifications, and subject to the provisions of Section 3.02(d) below and Section 18.17 hereof, shall (i) commence the Burling/Evergreen Improvements no later than April 1, 2000, (ii) commence the For Sale Improvements no later than July 1, 2000, (iii) record the Condominium Plat and Condominium Declaration no later than April 1, 2000, (iv) complete the Burling/Evergreen Improvements no later than April 1, 2001, (v) complete the For Sale Improvements no later than October 1, 2003, and (vi) turn over control of the North Town Village Condominium Association to a duly elected board of managers no later than March 1, 2003.

(d) Extensions of Time. The Commissioner shall have the right, in his sole discretion, to extend any of the dates set forth in this Section 3.02 in the event DOH determines that despite commercially reasonable efforts, the applicable Developer Party has

been unable to meet the applicable deadline. Any such extensions shall be evidenced by an instrument executed by DOH.

3.03 Scope Drawings and Plans and Specifications.

(a) Rental Phase I Project. Rental Phase I Partnership has delivered the applicable Scope Drawings, the Rental Phase I Plans and Specifications and the Burling/Evergreen Improvements Plans and Specifications to DOH and DOH has approved same. After such initial approval, subsequent proposed changes to the Rental Phase I Plans and Specifications and the Burling/Evergreen Improvements Plans and Specifications shall be submitted to DOH as a Change Order pursuant to Section 3.05 hereof. The Scope Drawings, the Rental Phase I Plans and Specifications and the Burling/Evergreen Improvements Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, State and local laws, ordinances and regulations. The applicable Developer Parties shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the applicable portion of the Project being constructed, occupied and/or operated by such Developer Parties.

(b) For Sale Project. Prior to the For Sale Closing Date, For Sale LLC shall submit, and DOH shall approve, the Scope Drawings and For Sale Plans and Specifications for the For Sale Improvements. The requirements set forth in Section 3.03(a) above shall also govern the Scope Drawings and For Sale Plans and Specifications.

3.04 Project Budget. The Developer Parties have furnished to DOH, and DOH has approved, the Project Budget attached as Exhibit M-1, which shows total costs for the Project in an amount not less than Fifty-Five Million Dollars (\$55,000,000). The Project Budget also specifies the total costs for the Rental Phase I Improvements, the Rental Phase II Improvements, the For Sale Improvements and the Burling/Evergreen Improvements. Rental Phase I Partnership hereby certifies that the Rental Phase I Financing described in Section A of Exhibit E will be sufficient to construct and complete the Rental Phase I Improvements and that the Project Budget information for the Rental Phase I Improvements is true, correct and complete in all material respects. Rental Phase II Partnership and For Sale LLC hereby certify that the Rental Phase II Financing and For Sale Financing described in Sections B and C, respectively, of Exhibit E will be sufficient to construct and complete the Rental Phase II Improvements, the other For Sale

Improvements and the Burling/Evergreen Improvements and that the Project Budget information for such improvements is true, correct and complete in all material respects. For Sale LLC hereby certifies that the marketing projection for the For Sale Units attached hereto as Exhibit O has been prepared after substantial marketing research and sets forth a commercially reasonable schedule of the sales prices and sales rate for the 105 For Sale Units. The applicable Developer Parties shall promptly deliver to DOH certified copies of any Change Orders regarding the Project Budget for approval pursuant to Section 3.05 hereof.

3.05 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) must be submitted by the applicable Developer Party to DOH for DOH's prior written approval. The applicable Developer Parties shall not authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by the applicable Developer Party of DOH's written approval. Each construction contract between a Developer Party and a General Contractor, and each contract between any General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of TIF Bond Proceeds or City Funds which the City has contractually committed pursuant to this Agreement or provide any other additional assistance to the Developer Parties.

3.06 DOH Approval. Any approval granted by DOH of the Scope Drawings, Rental Phase I Improvements Plans and Specifications, For Sale Plans and Specifications, Burling/Evergreen Improvements Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DOH pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project improvements.

3.07 Other Approvals. Any DOH approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the applicable Developer Party's obligations to comply with the provisions of Sections 5.01(c), 5.02(b) and 5.03 hereof. No Developer Party shall commence construction of its portion of the Project improvements until it has obtained all necessary permits and approvals (including but not limited to DOH's approval of the Scope Drawings and Plans and Specifications) and proof of the

General Contractor's and each subcontractor's bonding regarding any subcontractor performing work in the public way.

3.08 Progress Reports and Survey Updates. Each applicable Developer Party shall provide DOH with written monthly progress reports detailing the status of its portion of Project (except For Sale LLC shall only be required to provide quarterly reports), including, if necessary, a request for revised completion deadline date, for DOH's consideration in accordance with Section 3.02(d). Rental Phase I Partnership shall, upon completion of the Rental Phase I Improvements, and For Sale LLC shall, upon completion of the Rental Phase II Improvements and the remainder of the For Sale Improvements, provide three (3) copies of updated, as built Surveys to DOH upon the request of DOH reflecting the improvements made to the Property.

3.09 Inspecting Agent or Architect. DOH shall act as its own inspecting architect for the Project improvements. DOH shall perform periodic inspections for the Project improvements prior to requests for disbursement of City Funds or other City loan funds for related costs pursuant to the Rental Phase I Escrow Agreement, the For Sale Escrow Agreement and the Burling/Evergreen Escrow Agreement.

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

3.11 Signs and Public Relations. The applicable Developer Party shall erect a sign of size and style approved by the City in a conspicuous location on the Property during construction of the Project, indicating that financing for the applicable portion of the Project has been provided by the City (and which may identify the other lenders providing Lender Financing). The City reserves the right to include the name, photograph, artistic rendering of the Project improvements and other pertinent information regarding the Developer Parties, the Property and the Project in the City's promotional literature and communications.

3.12 Utility Connections. Rental Phase I Partnership and For Sale LLC may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided that such Developer Party first complies with all City requirements governing such

connections, including the payment of customary fees and costs related thereto.

3.13 Permit Fees. In connection with the Project, the Developer Parties shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City, except that the fees described in Exhibit P attached hereto are hereby waived by the City.

3.14 Burling/Evergreen Improvements. For Sale LLC shall construct the Burling/Evergreen Improvements. The City and the Developer Parties shall cooperate in coordinating the construction of the Burling/Evergreen Improvements with the remainder of the Project improvements.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The construction cost of the Project is estimated to be Fifty-Five Million Dollars (\$55,000,000), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the sources described in the Project Budget attached as Exhibit M-1.

4.02 City Funds.

(a) Uses of City Funds. City Funds may be used to pay directly or reimburse the City and For Sale LLC for costs of TIF-Funded Improvements only that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein, contingent upon receipt by the City of documentation satisfactory in form and substance to DOH and DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds may be paid directly to (i) the City to reimburse the City for the cost of TIF-Funded Improvements, (ii) For Sale LLC in reimbursement of the cost of TIF-Funded Improvements, or (iii) contractors or subcontractors of For Sale LLC in direct payment of costs constituting TIF-Funded Improvements at any time on and after the Closing Date.

The City shall have a first priority claim on such City Funds in order to reimburse the City for the cost of TIF-Funded Improvements previously paid by the City, including, without limitation, all acquisition costs, site preparation costs,

environmental investigation and remediation costs, and all public improvement costs, to the extent permissible under the Act and consistent with the Redevelopment Plan. The City shall determine the use and time of payment of all City Funds, provided that such City Funds shall only be used for TIF-Funded Improvements.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.02 and Section 5 hereof, the City hereby agrees to utilize City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the City and/or For Sale LLC for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
TIF Bond Proceeds and/or available Incremental Taxes	\$8,600,000

provided, however, that the total amount of City Funds expended shall only be for the TIF-Funded Improvements described in Exhibit C. The City Funds shall only be available to pay For Sale LLC for costs related to TIF-Funded Improvements so long as:

(i) The amount of City Funds, less such amount as the City may, in its sole discretion, deem necessary to reserve to cover future anticipated TIF-Funded Improvements cost to be incurred by the City, will be sufficient to pay for such costs; and

(ii) The City has been reimbursed for all TIF-Funded Improvements previously incurred by the City, unless the City, in its sole discretion, elects to not seek reimbursement for such costs; and

(iii) No event or condition exists which, with the giving of notice or passage of time, or both, would constitute an Event of Default under this Agreement.

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 in parts (i), (ii) and (iii) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by one or more of the Developer Parties or other financing approved by DOH shall increase proportionately. The City shall at all times have the right to reimburse itself for cost of TIF-Funded Improvements notwithstanding an event described in part (iii) above.

4.03 Rental Phase I Improvements Construction Escrow. On the Closing Date, or at such later date as the Commissioner may consent to, the applicable parties shall execute the Rental Phase I Escrow Agreement. Except as permitted under Section 4.02 and Section 4.04(b), all disbursements of sources of funds for the cost of the Rental Phase I Improvements (excluding costs to be funded through the TIF-Funded Improvements Escrow, if any, and approved reserves and deferred developer's fees) shall be made through the Rental Phase I Escrow pursuant to draw requests funded pursuant to the Rental Phase I Escrow Agreement. In case of any conflict between the terms of this Agreement and the Rental Phase I Escrow Agreement, the terms of this Agreement shall control.

4.04 Treatment of Prior Expenditures and Subsequent Disbursements. (a) Prior Expenditures. Only those expenditures made by For Sale LLC or any Affiliate thereof for the Project prior to the Closing Date and covered by the Project Budget, evidenced by documentation satisfactory to DOH and approved by DOH as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity hereunder (the "Prior Expenditures"). DOH shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit Q hereto sets forth the approved Prior Expenditures as of the date of this Agreement. For Sale LLC and the City may, prior to the For Sale Closing Date, identify additional prior expenditures for the For Sale Improvements. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to For Sale LLC but shall reduce the amount of Equity and/or Lender Financing required to be contributed pursuant to this Agreement.

(b) Direct Disbursement for Expenditures. Prior Expenditures constituting TIF-Funded Improvements for the Project may be disbursed directly to the City and/or For Sale LLC, as applicable, for eligible costs rather than through the Rental Phase I Escrow, the TIF-Funded Improvements Escrow or the For Sale Escrow; provided, however, that adequate documentation is provided to the Title Company to allow it to provide title insurance over mechanic's lien claims that may pertain thereto.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line item only, with transfers of costs and expenses from one line item to another, without the prior written consent of DOH, being prohibited.

4.05 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.02

hereof, the applicable Developer Parties shall be solely responsible for such excess costs, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds.

4.06 Character of Reimbursement from City Funds. Subject to the terms and conditions in this Agreement, the City has agreed to utilize City Funds to advance to, or to reimburse For Sale LLC for, certain expenditures, including, without limitation: (i) reimbursement for the costs of TIF-Funded Improvements that constitute Redevelopment Project Costs pursuant to Section 4.02(a) and as described in Recital F; and (ii) reimbursement of the Purchase Price pursuant to Sections 3.01(a) and 4.02 and the definition of "Purchase Price." The receipt of City Funds by For Sale LLC is intended solely to advance to or reimburse For Sale LLC for costs incurred or to be incurred on behalf of the City. For Sale LLC shall have no right and interest in such City Funds. This paragraph shall not be construed to create different or additional rights or obligations with respect to utilization of the City Funds than those otherwise provided for in the other Sections of this Agreement.

SECTION 5. CONDITIONS PRECEDENT TO CLOSINGS

5.01 Initial Closing Date. The following conditions shall be complied with to the City's satisfaction not less than five (5) business days prior to the Closing Date, unless otherwise specified:

(a) Project Budget. The applicable Developer Parties shall have submitted to DOH, and DOH shall have approved, a Project Budget in accordance with the provisions of Section 3.04 hereof.

(b) Scope Drawings and Plans and Specifications. Rental Phase I Partnership and For Sale LLC, as applicable, shall have submitted to DOH, and DOH shall have approved, the Scope Drawings, the Rental Phase I Plans and Specifications and the Burling/Evergreen Improvements Plans and Specifications in accordance with the provisions of Section 3.03 hereof.

(c) Other Governmental Approvals. Rental Phase I Partnership and For Sale LLC, as applicable, shall have secured all other necessary approvals and permits required by any State, federal, or local statute, ordinance or regulation for construction of the Rental Phase I Project and the Burling/Evergreen Improvements and shall submit evidence thereof to DOH. Notwithstanding the preceding sentence, the building permit requirement shall be

satisfied on the Closing Date if Rental Phase I Partnership has obtained foundation permits for the Rental Phase I Project and the permits for the Burling/Evergreen Improvements. Rental Phase I Partnership shall use its best efforts to obtain all construction-related building permits for the Rental Phase I Project within thirty (30) days of the Closing Date and no City Phase I Financing shall be funded until all such permits have been obtained.

(d) Financing. The Developer Parties shall have furnished proof acceptable to DOH, in its sole discretion, that the Developer Parties have Equity and financing commitments for the financing described in Exhibit E attached hereto and otherwise sufficient to complete the Project and satisfy their obligations under this Agreement. With respect to the Rental Phase I Financing, such proof shall consist of the simultaneous closing of all such Rental Phase I Financing on the Closing Date. With respect to the Rental Phase II Financing and the For Sale Financing, such proof shall include commitment letters or such other evidence as DOH may accept from the Rental Phase II Limited Partner, Bank One, the CHA and any other parties or persons providing financing, guarantees or credit enhancements for the Rental Phase II Improvements and the For Sale Improvements (whether for the benefit of the City, the Rental Phase I Limited Partner, Bank One, the CHA or otherwise). Any liens against the Property in existence at the Closing Date shall be subordinated to this Agreement pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date.

(e) Acquisition and Title. On the Closing Date, Rental Phase I Partnership and For Sale LLC shall furnish the City with a copy of the Closing Date Title Policies, which shall contain only those title exceptions listed as Permitted Liens and shall evidence the recording of this Agreement. The Closing Date Title Policies shall also contain such endorsements as shall be required by Corporation Counsel. The Developer Parties shall provide to DOH, prior to the Closing Date, copies of all easements and encumbrances of record regarding the Property.

(f) Evidence of Clean Title. The Developer Parties, at their own expense, shall have provided the City with current searches under the names of the Developer Parties, Holsten REDC, Kenard Corporation, an Illinois corporation, Holsten and the Lichtermans as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search

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

showing no liens against any such entities or persons, the Property or any fixtures now or hereafter affixed thereto, except for Permitted Liens.

(g) Plats. The Burling/Evergreen Plat and the Plat shall have both been recorded.

(h) Insurance. The Developer Parties, at their own expense, shall have insured the Property in accordance with Section 12 hereof and provided to DOH the required certificates evidencing such coverages.

(i) Opinion of Counsel. The counsel for the Developer Parties shall have furnished the Corporation Counsel with an unexecuted opinion of counsel, substantially in the form attached hereto as Exhibit R, with such changes as may be required by or acceptable to the Corporation Counsel. The executed original of such opinion shall be delivered on the Closing Date.

(j) Evidence of Prior Expenditures. For Sale LLC shall have provided evidence satisfactory to DOH, in DOH's sole discretion, of the Prior Expenditures in accordance with Section 4.04(a).

(k) Financial Statements. Holsten REDC and Kenard Corporation shall have provided Financial Statements to DOH for their 1997 and 1998 fiscal years, and such interim financial statements for 1999 as DOH may require, or such other financial statements as may be acceptable to DOH, in its sole discretion.

(l) Documentation. The Developer Parties shall have provided documentation satisfactory to DOH regarding their ability to comply with Section 10.

(m) Environmental Matters. With respect to the environmental condition of the Property: (a) the Rental Phase I Property shall have been enrolled in the Site Remediation Program in accordance with 415 ILCS 5/58 et seq.; (b) the City shall have received clearance to fund in accordance with the requirements of 24 C.F.R. Part 58; and (c) DOH shall be satisfied, in its sole discretion, that the required remediation work can be completed within a time frame and at a cost that will enable the City to be reimbursed from

City Funds for all costs of TIF-Funded Improvements (including any such environmental remediation costs) and so as to enable the Developer Parties to comply with their obligations under this Agreement.

(n) Corporate Documents. The Developer Parties shall provide a copy of their respective Articles of Incorporation, Certificate of Limited Partnership or Certificate of Organization, containing the original certification of the Secretary of State of its state of incorporation or organization; certificates of good standing or existence from the Secretary of State of its state of incorporation or organization and all other states in which such Developer Parties are qualified to do business; a secretary's, general partner's or managing member's certificate in such form and substance as the Corporation Counsel may require; such shareholder, partner or member consents as may be required; the bylaws, limited partnership agreements, operating agreements and other governing documents; and such other corporate, partnership and limited liability company documentation as the City may request.

(o) Litigation. The Developer Parties shall have provided a description of all pending or threatened litigation or administrative proceedings involving any Developer Parties, the General Partner, Kenard Corporation, Holsten REDC, Holsten and the Lichtermans, 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. Such list need not include litigation involving properties where Holsten REDC is acting as receiver or similar capacity or which Holsten REDC did not develop and does not itself own and may also exclude tenant evictions litigation.

(p) Tax Sharing Agreement. The Developer Parties shall have executed a tax sharing agreement, setting forth the respective obligations of the Developer Parties for the payment of general real estate taxes due and payable as of the Closing Date, and becoming due and payable after the Closing Date until such time as the Rental Phase I Property and the For Sale Property condominium units are taxed under separate tax identification numbers, in a form acceptable to DOH.

(q) For Sale Profit-Sharing Guidelines. On the Closing Date, For Sale LLC and the City shall execute and record written agreement in recordable form incorporating the For Sale Profit-Sharing Guidelines and imposing such guidelines as an encumbrance against the For Sale Property. The City may, in its sole

discretion, elect to defer the executing and recording of such agreement until the For Sale Closing Date.

(r) Payment L/C. On the Closing Date, the applicable Developer Parties shall have delivered any required Payment L/C(s) to the City.

(s) CHA Leasing Documents. A fully executed copy of the CHA Phase I Master Lease, and an unexecuted copy of the CHA Phase II Master Lease in substantially final form, shall have been submitted to and approved by CHA.

(t) Common Area Agreement. A fully executed copy of the Common Area Agreement shall have been delivered to DOH.

(u) Intercreditor Agreement. A fully executed copy of the Intercreditor Agreement (excluding the joinder to be signed by Bank One on or before the For Sale Closing Date) shall have been delivered to DOH.

5.02 For Sale Closing Date. The following conditions shall be complied with to the City's satisfaction before the City shall have any obligation to pay any City Funds to For Sale LLC for the For Sale Improvements (other than acquisition costs for the Property):

(a) Project Budget. DOH shall be satisfied, in its sole discretion, that the Project Budget, as the same may have been revised in accordance with Section 3.04, is true, accurate and complete and reflects adequate sources of financing to complete the applicable Project improvements.

(b) Other Governmental Approvals. For Sale LLC shall have secured all other necessary approvals and permits required by any State, federal, or local statute, ordinance or regulation for construction of the For Sale Improvements and shall submit evidence thereof to DOH.

(c) Financing. The Rental Phase II Financing and the For Sale Financing shall have closed on or before the For Sale Closing Date.

(d) Evidence of Clean Title. The Developer Parties, at their own expense, if requested by DOH, shall have provided updates of the searches required under Section 5.01(f).

(e) Insurance. The Developer Parties shall, at their own expense, if requested by DOH, have provided updates of the

certificates required pursuant to Section 5.01(h) evidencing the insurance required under Section 10.

(f) Opinion of Counsel. The counsel for the Developer Parties shall have furnished the Corporation Counsel with an updated opinion in substantially the form of the opinion required pursuant to Section 5.01(i).

(g) Evidence of Prior Expenditures. For Sale LLC shall have provided evidence satisfactory to DOH, in DOH's sole discretion, of any Prior Expenditures in accordance with Section 4.04(a).

(h) City Compliance. The Developer Parties shall have provided satisfactory documentation to DOH regarding its compliance to date and ability to further comply with the provisions of Section 10 of this Agreement.

(i) Environmental Matters. DOH shall remain satisfied, in its sole discretion, that the required remediation work can be completed within a time frame and at a cost that will enable the City to be reimbursed from City Funds for all costs of TIF-Funded Improvements (including any such environmental remediation costs) and which will enable the Developer Parties to comply with their obligations under this Agreement.

(j) Corporate Documents. The Developer Parties shall, if requested by the City, provide such additional documents or certificates as may be requested to confirm the continued effectiveness of the documents required under Section 5.01(n).

(k) Litigation. An updated litigation description, including the information required under Section 5.01(o).

(l) Condominium Declaration. For Sale LLC shall have delivered to the City the final form of Condominium Declaration, together with a schedule reflecting the time line for the North Town Village Condominium Development and add-on of individual units to such development.

(m) City Subordination to CHA Document. The City and the CHA shall have executed and delivered a subordination agreement in a form mutually acceptable to such parties, subordinating the encumbrance of this Redevelopment Agreement to the encumbrance of the CHA Phase II Master Lease (or a memorandum thereof), which shall be recorded against the For Sale Property on the For Sale Closing Date, to the same extent as if such CHA agreement had been recorded against the For Sale Property on the Closing Date.

5.03 Preconditions to Disbursement. Prior to each disbursement of City Funds hereunder (excluding City Funds paid to the City in reimbursement of TIF-Funded Improvements previously paid by the City), the applicable Developer Party shall submit documentation of such expenditures to DOH, which shall be satisfactory to DOH in its sole discretion. Delivery by such Developer Party to DOH of any request of 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 applicable General Contractor, subcontractors and/or materialmen who have performed work on or supplied materials for 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 applicable Developer Party has approved all work and materials for the current disbursement request, and such work and materials conform to the applicable Plans and Specifications;

(d) the representations and warranties contained in this Agreement are true and correct and the Developer Parties, as to the applicable phase, are in compliance with all covenants contained herein;

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

(f) as to the applicable phase, 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 applicable portion of 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 such portion of the Project. "Available Project Funds" as used herein shall mean: (i) such portion of the undisbursed City Funds as the City may acknowledge in writing as being available for payment to For Sale LLC (or its contractors, subcontractors and/or materialmen); (ii) the undisbursed Lender Financing, if any, identified in Exhibit E

for the Project or the applicable portion of the Project ; (iii) any undisbursed Equity; (iv) the anticipated net sales proceeds from the For Sale Units that shall be available for reinvestment in the Project, as reasonably determined by the City; and (v) any other amounts deposited by the Developer Parties pursuant to this Agreement or which one or more of the Developer Parties irrevocably agree in writing to contribute to the Project. The Developer Parties hereby agree that if any of the three parts of the Project, is not In Balance, the applicable Developer Party shall, within 10 days after receipt of written notice from the City, deposit with the City or the applicable escrow agent, cash in an amount that will place the applicable portion of the Project In Balance, which deposit shall first be exhausted before any further disbursement of City Funds or Lender Financing shall be made.

The applicable Developer Parties shall also have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Governing Documents and the Rental Phase I Escrow Agreement and the For Sale Escrow Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement. (a) The City acknowledges that Rental Phase I Partnership has selected Linn Mathes Construction Company as the Rental Phase I Improvements General Contractor. The amounts paid to Linn Mathes Construction Company under the Rental Phase I Improvements Construction Contracts shall be limited as described in clause (c) below. If Linn Mathes Construction Company is selected as the Burling/Evergreen Improvements General Contractor and/or the For Sale Improvements General Contractor, such limits shall also apply to such contracts.

(b) Except as set forth in Section 6.01(c) below, prior to entering into an agreement with a subcontractor for the Rental Phase I Improvements or General Contractor or any subcontractor for the construction of the For Sale Improvements, the applicable Developer Party shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors and subcontractors eligible to do business with the City, and shall submit all bids received to DOH for its inspection and written approval. The applicable Developer Party shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete such portion the Project improvements in a timely manner, unless such selection would prevent the Developer from satisfying

the MBE/WBE and City residency requirements contained in this Agreement. The applicable Developer Party shall submit copies of the construction contract with the applicable General Contractor to DOH in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DOH within five (5) business days of the execution thereof. The applicable Developer Party shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the applicable Project improvements until the Plans and Specifications have been approved by DOH and all requisite permits have been obtained.

(c) If, prior to entering into an agreement with a General Contractor for construction of the For Sale Improvements, For Sale LLC does not solicit bids pursuant to Section 6.01(b) hereof, then the total amount paid under the For Sale Improvements General Contract (i) for overhead and profit shall be an amount not greater than the sum of 10% of hard construction costs for such improvements, plus (ii) for general requirements and conditions for the Project, an amount not greater than 10% of such hard construction costs, both as determined by DOH. This limitation shall also apply to the amounts paid to Linn Mathes Construction Company under the Rental Phase I Improvements Construction Contract, the Burling/Evergreen Improvements Construction Contract and, if applicable, the For Sale Improvements Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(b) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contracts. Prior to the execution thereof, the applicable Developer Party shall deliver to DOH a copy of the proposed contract with the General Contractor selected to handle the applicable portion of the Project improvements in accordance with Section 6.01 above, for DOH's prior written approval. Within ten (10) business days after execution of such contract by such Developer Party, the applicable General Contractor and any other parties thereto, such Developer Party shall deliver to DOH 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 Project improvements, the applicable Developer Party shall require that the applicable General Contractor be fully bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No.

A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. The applicable Developer Party shall contractually obligate and cause the applicable General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the construction contract between the applicable Developer Party and General Contractor and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DOH within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of each of (a) the Rental Phase I Improvements, and (b) the For Sale Improvements in accordance with the terms of this Agreement, and the satisfaction of the leasing, sale and other requirements set forth in Section 3.02 applicable to such portion of the Project improvements, and upon the applicable Developer Party's written request, DOH shall issue to such Developer Party a Certificate in recordable form certifying that such Developer Party has fulfilled its obligation to complete such portion of the Project improvements in accordance with the terms of this Agreement. DOH shall respond to the applicable Developer Party's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the applicable portion of the Project improvements does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken in order to obtain the Certificate. Such Developer Party may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the applicable portion of the Project improvements and satisfaction of the applicable Section 3.02 requirements to such part. Upon its issuance, the City will certify that the terms of this Agreement

specifically related to such obligations have been satisfied. After the issuance of a Certificate, however, all other terms and conditions of this Agreement and all representations, warranties, covenants and easements contained herein will continue to remain in full force and effect. The issuance of the Certificate shall not be construed as a waiver by the City of any of its other rights and remedies pursuant to this Agreement.

Those covenants specifically described in Sections 8.02 and 8.20 shall be covenants that run with the land for the specified period and shall bind each transferee of any portion of the Property notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer Parties and any permitted assignee of a Developer Party who, pursuant to Section 18.15 of this Agreement, accepts an assignment of and assumes the applicable Developer Party's rights and obligations under this Agreement.

7.03 Failure to Complete. If one or more of the Developer Parties fails to complete its portion of the Project (as described in the Recitals) in accordance with the terms of this Agreement, and such failure is not cured within any applicable cure period provided herein, if any, then the City shall have, but shall not be limited to, any of the following rights and remedies as to that portion of the Project:

(a) if such uncured failure occurs prior to the For Sale Closing Date and the closing of the Lender Financing for the For Sale Project, the Developer shall immediately reconvey the For Sale Property to the City; provided, however, that For Sale LLC shall have no obligation to reimburse the City for any City Funds previously expended in accordance with the terms of this Agreement;

(b) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(c) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements for any portion of the Project exceeds the amount of City Funds available pursuant to Section 4.02, the applicable Developer Parties shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(d) the right to seek reimbursement of City Funds paid to For Sale LLC, as applicable, or contractors or subcontractors of such Developer Parties, to the extent such City Funds were not spent in accordance with the terms of this Agreement.

SECTION 8. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEVELOPER PARTIES

8.01 General. Rental Phase I Partnership, Rental Phase II Partnership and For Sale LLC (unless otherwise limited to certain of them) each represents, warrants and covenant, as of the date of this Agreement and throughout the Term of this Agreement, that:

(a) Rental Phase I Partnership and Rental Phase II Partnership represent and warrant that its General Partner is an Illinois corporation duly organized, validly existing, qualified to do business in the State, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) Rental Phase I Partnership, as to itself, and Rental Phase II Partnership, as to itself, is an Illinois limited partnership, duly organized, validly existing, qualified to do business in the State, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(c) For Sale LLC, as to itself, is an Illinois limited liability company, and, as to its Managing Member, is an Illinois corporation, each duly organized, validly existing, qualified to do business in the State, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

(e) its execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate, limited partnership or limited liability company action, as applicable, and does not and will not violate such Developer Party's organizational documents, as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which such Developer Party is now a party or by which such Developer Party is now or may become bound;

(f) Rental Phase I Partnership, as to the Rental Phase I Property, and For Sale LLC, as to the For Sale Property, shall, unless otherwise permitted pursuant to the terms of this Agreement, acquire and shall maintain good, indefeasible and merchantable fee simple title to such portion of the Property, respectively, free and clear of all liens (except for Permitted Liens, Lender Financing disclosed in the Project Budget and Non-Governmental Charges that it is contesting in good faith pursuant to Section 8.15 hereof);

(g) it is now and shall remain solvent and able to pay its debts as they mature for so long as it is the owner of any portion of the Property; after such ownership ceases, it shall establish and maintain such reserves as may be required under applicable law for any remaining liability under this Agreement and other applicable agreements;

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

(i) it has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the applicable portion of the Project, excluding, with respect to For Sale LLC, permits and consents relating to the For Sale Project that shall be obtained prior to the For Sale Closing Date;

(j) it is not in default in any material respect regarding any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which it is a party or by which it or any portion of the Property is bound;

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

(l) neither Rental Phase I Partnership, as to itself, nor Rental Phase II Partnership, as to itself, shall do any of the following without the prior written consent of DOH, which consent

shall be in DOH's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease (excluding the CHA Phase I Master Lease, the CHA Phase II Master Lease and leases of market rate units and other units in the Rental Phase I Improvements in the ordinary course of business) or otherwise dispose of all or substantially all of its assets (either directly or indirectly, such as, for example, by a transfer of ownership interest in any entity having an ownership interest in it) or any portion of the Property, including but not limited to any fixtures or equipment now or hereafter attached thereto (excluding replacements of worn-out or obsolete fixtures or equipment), provided, however, that the foregoing does not limit the right of the Rental Phase I Limited Partner or the Rental Phase II Limited Partner to syndicate or collaterally assign its limited partnership interests to a creditworthy tax credit investor reasonably acceptable to DOH; (3) enter into any transaction outside the ordinary course of its business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity, excluding only guarantees given in connection with Lender Financing for the Project; or (5) enter into any transaction that would cause a material and detrimental change to its financial condition; notwithstanding the foregoing, DOH, upon written notice from the Rental Phase I Limited Partner or the Rental Phase II Limited Partner, as applicable, shall not unreasonably withhold its consent to the replacement and/or addition of a general partner of the applicable partnership either (A) pursuant to the terms of the applicable partnership agreement, or (B) subsequent to a transfer by the applicable General Partner of its general partnership interest in violation of this Redevelopment Agreement or the applicable partnership agreement, and upon any such DOH consent, such transfer shall be permissible hereunder;

(m) For Sale LLC, as to itself, shall not do any of the following without the prior written consent of DOH, which consent shall be in DOH's sole discretion, until the final condominium unit in the For Sale Improvements has been sold, after which time such consent shall not be unreasonably withheld or delayed: (1) be a party to any merger, liquidation or consolidation; (2) sell (excluding sales of For Sale Units in the ordinary course of business), transfer, convey, lease or otherwise dispose of all or substantially all of its assets (either directly or indirectly, such as, for example, by a transfer of ownership interest in any entity having an ownership interest in For Sale LLC) or any portion of the Property, including but not limited to any fixtures or equipment now or hereafter attached thereto; (3) enter into any transaction outside the ordinary course of its business; (4) assume, guarantee, endorse, or otherwise become liable in

connection with the obligations of any other person or entity, excluding only guarantees given in connection with the Project; or (5) enter into any transaction that would cause a material and detrimental change to its financial condition;

(n) it has not incurred, and, prior to the issuance of the Certificate for such Developer Party's portion of the Project improvements, shall not, without the prior written consent of DOH, allow the existence of any liens against the applicable portion of the Property other than liens relating to the Lender Financing and the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except such Lender Financing; and

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

8.02 Covenant to Redevelop. In accordance with the Governing Documents, and subsequent to DOH's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.03 and 3.04 hereof, and the receipt of all required building permits and governmental approvals: (a) Rental Phase I Partnership and its permitted successors and permitted assigns shall construct and operate the Rental Phase I Project; (b) For Sale LLC shall construct the For Sale Improvements; (c) Rental Phase II Partnership shall lease the CHA Phase I Units to the CHA pursuant to the CHA Phase I Master Lease; (d) For Sale LLC shall from time to time cause the constructed portions of the For Sale Property to be converted to a condominium form of ownership as an add-on condominium in accordance with the Condominium Act; (e) For Sale LLC shall sell the CHA Phase II Units to Rental Phase II Partnership, which shall lease such units to the CHA pursuant to the CHA Phase II Master Lease; (f) For Sale LLC shall sell the 12 Affordable For Sale Units to qualified buyers, and shall, in the deeds of conveyance for such units, include deed restrictions requiring that such units shall remain affordable to qualified buyers for a 40 year period, or such lesser period as the City, in its sole discretion, may consent to, or shall agree to such other legal agreements as may accomplish the City's objective of providing a workable, 40-year strategy for maintaining the affordability of the 12 Affordable For Sale Units; (g) For Sale LLC shall sell the remaining 93 For Sale Units at market rates and share the net sales proceeds of such sales with the City in

accordance with the profit sharing guidelines attached as Exhibit J hereto; and (h) For Sale LLC and, when required under the Condominium Declaration and the Condominium Act, North Town Village Condominium Association, shall operate the For Sale Property and the Shared Common Area Improvements, as applicable. The covenants set forth in this Section shall be covenants running with the land in perpetuity, unless terminated in whole or in part by the City, acting through DOH, pursuant to a written instrument recorded against the Property, or any applicable portion thereof.

8.03 Redevelopment Plan. Rental Phase I Partnership, with respect to the Rental Phase I Improvements, Rental Phase II Partnership, with respect to the Rental Phase II Improvements, and For Sale LLC, with respect to the For Sale Improvements, represent that such portion of the Project is and shall be in compliance in all material respects with all of the terms of the Redevelopment Plan.

8.04 Use of City Funds. City Funds disbursed to For Sale LLC (or directly to general contractors, contractors, subcontractors and/or materialmen of such Developer Parties) shall be used solely to pay for (or to reimburse For Sale LLC) for the TIF-Funded Improvements.

8.05 Other Bonds. The Developer Parties shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any additional bonds in connection with the Project or the Redevelopment Project Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer Parties or the Project, including, without limitation, the cost thereof. The Developer Parties shall, at their own expense, cooperate and provide reasonable assistance in connection with the marketing of any such additional bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. The Developer Parties shall not have any liability with respect to 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 the Developer that is determined to be false and misleading.

8.06 Job Creation. Rental Phase I Partnership and For Sale LLC covenant to use their best efforts to create, either directly or in partnership with Chicago-based businesses, (a) 4 full-time, permanent property management type jobs, (b) 10 full-time

construction-related jobs during the construction of the Project, and (c) 66 full-time, permanent jobs. Such Developer Parties shall cause the applicable General Contractors to maximize construction hires and slots for trade apprenticeships. New City YMCA LEED Council will be retained to provide job-training and placement, adult education and vocational skills training, needs assessments, case management, oversight of job retention strategies and coordination of transportation and day care services to assist in meeting the above employment objectives. The above job creation requirements may be allocated between Rental Phase I Partnership and For Sale LLC as such parties may agree.

8.07 Employment Opportunity. The applicable Developer Parties covenant and agree to abide by, and contractually obligate and use reasonable efforts to cause the applicable General Contractor and each subcontractor to abide by the terms set forth in Section 10.

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

8.09 Prevailing Wage. The Developer Parties covenant and agree to pay, and to contractually obligate and cause the applicable General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees of such General Contractor, contractor and/or subcontractor. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer Parties shall provide the City with copies of all such contracts entered into by the Developer Parties or any General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DOH shall have given its prior written consent with respect thereto or such payments are expressly identified in the Project Budget approved by DOH, no Affiliate of any 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, nor may it receive any other payments for Project costs. The Developer Parties shall provide information for any entity to receive City Funds or payments for Project costs either

directly or indirectly (whether through payment to the Affiliate by a Developer Party and reimbursement to a Developer Party or otherwise), upon DOH's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, each of the Developer Parties 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 any Developer Party with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in any Developer Party's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. The applicable Developer Parties shall each obtain and provide to DOH Financial Statements for the fiscal year ended 1999 and each year thereafter for so long as the applicable Developer Party holds title to any portion of the Property and thereafter until such entity is lawfully dissolved or liquidated. In addition, each applicable Developer Party shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DOH may request.

8.14 Insurance. The applicable Developer Parties, at their own expense, shall comply with all provisions of Section 12.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for Permitted Liens, any Developer Party owning any portion of the Project agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon such portion of the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer 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. The applicable Developer Parties

shall furnish to DOH, within thirty (30) days of receipt of DOH's written request, official receipts from the appropriate entity, or other proof satisfactory to DOH, evidencing payment of the Non-Governmental Charge in question.

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

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer Parties' covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

8.16 Developer Party Liabilities. The Developer Parties shall not enter into any transaction that would materially and adversely affect their respective abilities to perform their obligations hereunder or to repay any material liabilities or perform any material obligations to any other person or entity. Each Developer Party shall immediately notify DOH of any and all events or actions which may materially adversely affect its ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. Excluding only environmental matters that are to be lawfully remediated and resolved by the City in connection with its obtaining of one or more No Further Remediation Letters for the Property, the Property and the Project are and shall be in compliance with all applicable federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the

Property. Upon the City's request, the Developer Parties shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. This Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto are to be recorded and filed with the Office of the Recorder of Deeds of Cook County. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer Parties shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer Parties shall promptly transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Each Developer Party agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon it, or any portion of the Property or the Project improvements owned by such Developer Party, or which become due and payable, and which create, may create, or appear to create a lien upon such Developer Party or all or any portion of the Property or the Project improvements owned by such Developer Party. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to any Developer Party, the Property or the Project improvements including but not limited to real estate taxes.

(ii) Right to Contest. The Developer Parties shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. Such Governmental Charges must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer Parties' covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement.

(iii) No Forfeiture. The applicable Developer Party shall demonstrate to DOH's satisfaction that legal proceedings instituted contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and

(iv) Adequate Security. The applicable Developer Party shall furnish a good and sufficient bond or other security satisfactory to DOH in such form and amounts as DOH shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property, or any portion thereof, 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) Failure To Pay Or Discharge Lien. Subject to clause (a)(ii) above, if a Developer Party fails to pay any Governmental Charge or to obtain discharge of the same, it shall advise DOH thereof in writing, at which time DOH may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer Parties under this Agreement, in DOH's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DOH deems advisable. All sums so paid by DOH, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly reimbursed to DOH by the applicable Developer Parties. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge.

8.20 Special Project Covenants (a) Affordable Housing. The affordability requirements described in Recital D shall be covenants running with the land for the applicable affordability period set forth in the applicable Recorded Affordability Document and shall survive any foreclosure of any portion of the Property.

(b) Common Area Agreement. The easements, covenants and other obligations set forth in the Common Area Agreement shall be covenants running with the land in perpetuity, unless terminated by DOH pursuant to a written instrument recorded against the Property, or any applicable portion thereof.

(c) Condominium Declaration. For Sale LLC shall not, without the prior written consent of the Commissioner, amend the

Condominium Declaration or the related Condominium Plat except for amendments in the ordinary course of developing the For Sale Project as an add-on condominium, and then only so long as (i) all such amendments are consistent with the requirements of the Condominium Act, (ii) no such amendments alter the percentage interest assigned to the various unit models in the initial Condominium Declaration, and (iii) copies of all such amendments are provided to the City in a timely manner.

(d) Material Inducement. The Developer Parties agree that the covenants in this Section 8.20 are material inducement to the City's execution of this Agreement and essential to the development and operation of the Project as a mixed-income residential development.

8.21 No Business Relationship With City Officials. The Developer Parties acknowledge that they have read and understand Section 2-156-030(b) of the Municipal Code. Pursuant to Section 2-156-030(b) of the Municipal Code, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other city official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code) 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 with any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated hereby, shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer Parties represent and warrant that no violation of Section 2-156-030(b) has occurred with respect to this Agreement, or the transactions contemplated thereby.

8.22 Survival of Covenants. All warranties, representations, covenants and agreements of the applicable Developer Parties contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete on the Closing Date and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement. In addition, the covenants specified in Section 7.02 as covenants running with the land shall survive the Term of the Agreement and run with the Property for the specified period

unless terminated by DOH, Rental Phase I Partnership, and For Sale LLC (and, upon For Sale LLC's turnover of the Condominium Association to a duly elected board of directors, by such board) a written instrument recorded against the Property or any applicable portion thereof.

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE 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 No Further Remediation Letter. The City shall use commercially reasonable efforts to complete the environmental remediation work and submissions that must be completed in order to obtain one or more No Further Remediation Letters from the Illinois Environmental Protection Agency for the portions of the Property requiring remediation. The City shall, prior to consenting to any material changes in the scope of the remediation or other work to be performed in connection with obtaining such letter, consult with the Developer Parties to confirm that such changes are reasonably acceptable to the Developer Parties.

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

As used in this Section 10, the term "Developer" shall refer to the applicable Developer Party and, as the context requires, such Developer Party's General Contractor, contractors and subcontractors.

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

construction of the Project improvements or occupation of the Property:

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

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

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

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

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

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

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

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

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

The Developer, each General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the

Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

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

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

Good faith efforts on the part of the Developer, any 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 Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

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

stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the applicable General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Purchasing Agent's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

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

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code, 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 total MBE/WBE Project Budget attached hereto as Exhibit M-2 (less the acquisition price of the Property or any portion thereof, if any) shall be expended for contract participation by MBEs or WBEs:

- i. At least 25 percent by MBEs.
- ii. At least 5 percent by WBEs.

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project improvements) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project improvements) shall be

deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code.

c. Consistent with Section 2-92-440, Municipal Code, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project improvements by the Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project improvements by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a General Contractor (but only to the extent of any actual work performed on the Project improvements by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. The Developer shall deliver quarterly reports to DOH during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DOH in determining the Developer's compliance with this MBE/WBE commitment. DOH shall have access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to

discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this Subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code.

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

g. Prior to the commencement of each portion of the Project improvements, the Developer, the applicable General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DOH with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DOH its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DOH. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DOH. Failure to submit such documentation on a timely basis, or a determination by DOH, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written notice to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the applicable General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer Parties hereby represent and warrant to the City that the Developer Parties have conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the TIF Bond Ordinance and the Redevelopment Plan, subject to the City's completion of the remediation work and approvals contemplated by the No Further Remediation Letter(s).

Without limiting any other provisions hereof, the Developer Parties agree to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever (subject to the

City's obligation under Section 9.02) 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 the Developer Parties: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property owned by such Developer Party, or (B) any other real property in which the Developer Parties, or any person directly or indirectly controlling, controlled by or under common control with the Developer Parties, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer Parties), 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 the Developer Parties or any of their Affiliates under any Environmental Laws relating to the Property.

Without limiting the generality of the foregoing, the Developer Parties acknowledge and agree, on their own behalf, and on behalf of all successors in title to any portion of the Property, that: (a) certain environmental contamination has been identified on certain portions of the Property and is currently being remediated as part of the process of obtaining one or more No Further Remediation Letters for the Property; (b) although environmental testing has not disclosed such matters, other environmental contamination that is presently unknown to the City and the Developer Parties could exist on the Property, or on property near the Property; (c) the City, in conveying the Rental Phase I Property to Rental Phase I Partnership and the For Sale Property to For Sale LLC, has made no covenant, representation or warranty as to the environmental condition of the Property or the suitability of the Property for any purpose whatsoever, and Rental Phase I Partnership and For Sale LLC have agreed to accept the Property "as is;" (d) prior to the City's conveyances, the Developer Parties have been given the right to (i) investigate and determine the soil and environmental condition of the Property, (ii) enter the Property to conduct environmental tests on the Property, (iii) approve the scope of the environmental investigation and remediation work, and (iv) approve the enrollment of the Property (or portions thereof) in the Site Remediation Program in order to obtain one or more No Further Remediation Letters. If the environmental condition of the Property is not in all respects entirely suitable for the use to which the Property is to be utilized, and subject to the City's obligation under Section

9.02, it shall be the sole responsibility and obligation of the Developer Parties and their successors in title to take such action as is necessary to put the Property in a condition entirely suitable for the intended use. The Developer Parties and their successors in title agree to release and hold harmless the City from any and all claims and liabilities relating to or arising under any Environmental Laws relating to the condition of the Property and to take and discharge all liabilities of the City arising from any environmental condition of the Property which existed on the Property prior to the acquisition of title to the Property by Rental Phase I Partnership and For Sale LLC. The Developer Parties further agree to indemnify and defend the City against all such liabilities described in the previous sentence.

The indemnifications provided for under this Section 11 shall not apply to claims or liabilities directly arising out of the City's failure to remediate the Property in accordance with its obligation under Section 9.02; provided, however, that the issuance of a No Further Remediation Letter by the Illinois Environmental Protection Agency shall be conclusive evidence that the City has performed all of its environmental remediation obligations with respect to the portion of the Property covered by such letter.

SECTION 12. INSURANCE

The applicable Developer Parties shall provide and maintain, or cause to be provided, at their own expense, during the term of this Agreement, the insurance coverages 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 Insurance

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

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury,

and property damage liability. coverages shall include the following: All premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(b) During Construction and Term of Agreement

(i) Workers Compensation and Employers Liability Insurance

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

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

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City 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 Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the applicable Developer Party shall provide (or cause its General Contractor to provide) Automobile Liability Insurance with limits

of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, non-contributory bases.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, the applicable Developer Party shall provide, or cause to be provided with respect to the operations that the Developer performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy shall 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) Builders Risk Insurance

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

(vi) Professional Liability

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

renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) After Construction and During Term of Agreement.

The applicable Developer Parties shall maintain "all risk" (also known as "special") property insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

(d) Other Requirements

The applicable Developer Parties will furnish the City of Chicago, Department of Housing, 318 S. Michigan Avenue 60602, original certificates of insurance evidencing the required coverage to be in force on the date of this Agreement, and renewal certificates of insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the Term of the Agreement. The applicable Developer Parties shall

submit evidence of insurance on the City of Chicago Insurance Certificate Form or equivalent prior to the Closing Date. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the applicable Developer Parties shall not be deemed to be a waiver by the City. The applicable Developer Parties shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the applicable Developer Parties of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate or suspend the Agreement after the lapse of any applicable cure period until proper evidence of insurance is provided.

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer Parties.

The Developer Parties agree that insurers shall waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.

The Developer Parties expressly understand and agree that any coverages and limits furnished by the applicable Developer Parties shall in no way limit the Developer Parties' liabilities and responsibilities specified under the Agreement or by law.

The Developer Parties expressly understand and agree that the insurance required hereunder is primary and any insurance or self insurance programs maintained by the City shall not contribute with insurance provided by the Developer Parties' under this Agreement.

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

The applicable Developer Parties shall require the contractor, and all subcontractors to provide the insurance required herein or the applicable Developer Parties may provide the coverages for the General Contractor, or subcontractors. The General Contractor, all

contractors and subcontractors shall be subject to the same requirements unless otherwise specified herein.

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

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

SECTION 13. INDEMNIFICATION

Each Developer Party agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the applicable Developer Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) its failure to pay any contractor or the applicable General Contractor, or such General Contractor's failure to pay subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvements, or (iii) the existence of any material misrepresentation or omission in this Agreement by such Developer Party, 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 it or its agents, employees, contractors or persons acting under the control or at the request of the Developer Parties, or (iv) its failure to cure any misrepresentation in this Agreement or any other agreement relating hereto.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer Parties shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of its portion of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor its portion of the Project. All such books, records and other documents, including but not limited to the Developer Parties' loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the applicable Developer Parties' offices for inspection, copying,

audit and examination by an authorized representative of the City, at the applicable Developer Parties' expense. The Developer Parties' shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer Parties regarding the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours.

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Sections 15.03 and 15.04, shall constitute an "Event of Default" by the defaulting Developer Party hereunder:

(a) the failure of such Developer Party to perform, keep or observe any of its covenants, conditions, promises, agreements or obligations under this Agreement or any related agreement entered into by such Developer Party with the City;

(b) the failure of such Developer Party to perform, keep or observe any of its covenants, conditions, promises, agreements or obligations under any other agreement with any person or entity if such failure has a material adverse effect on such Developer Party's ability to perform its obligations under this Agreement;

(c) the making or furnishing by such 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 with the City which is untrue or misleading in any material respect and materially affects any aspect of the Project (including, without limitation, the City's prior decision to provide any financing for such Project);

(d) **except** as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against such Developer Party or for its liquidation or reorganization, or alleging that such Developer Party is insolvent

or unable to pay its debts as they mature, or for the readjustment or arrangement of its 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 such Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against such Developer Party which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution; provided, however, that no default shall exist if the Developer provides reasonable evidence that it has adequate insurance to cover such judgment or the total judgment amount is less than \$50,000;

(h) the occurrence of an event of default under any Lender Financing to which such Developer Party is an obligor, which default is not cured within any applicable cure period;

(i) the dissolution of such Developer Party; or

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

For purposes of Sections 15.01(i) and 15.01(j) hereof, Holsten and the Lichtermans shall be deemed the sole persons with material interests in the Developer Parties.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and may suspend

disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy against the defaulting Developer Party, including but not limited to injunctive relief or the specific performance of the agreements contained herein. The City may also draw on any Payment L/C posted by For Sale LLC and require the reconveyance of the For Sale Property if such default occurs prior to the For Sale Closing Date.

15.03 Curative Period. In the event a Developer Party breaches a monetary covenant under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless such breach is not cured within ten (10) days of the Developer Party's receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event a Developer Party breaches a non-monetary covenant under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless such breach is not cured within thirty (30) days of the Developer's receipt of a written notice from the City specifying the nature of the default; provided, however, for those non-monetary defaults which cannot reasonably be cured within such thirty (30) day period, the Developer Party shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure such breach within such thirty (30) day period and thereafter diligently and continuously prosecutes to completion the cure of such default.

The Rental Phase I Limited Partner and the Rental Phase II Limited Partner shall each have the right to cure any default related to the applicable portion of the Project within the cure periods provided for above and the City agrees to accept cures tendered by either such entity.

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

SECTION 16. MORTGAGING OF THE PROJECT

No mortgages are in place as of the recording of this Agreement regarding the Property or any portion thereof. The mortgages to be executed and recorded against the Property or any portion thereof in connection with the financing described on Exhibit E are referred to herein as a "Permitted Mortgages" and the

holder of any such Mortgage is referred to herein as a "Permitted Mortgagee." It is hereby agreed by and among the City and the Developer Parties as follows:

(a) Acceptance and Assignment. In the event that a Permitted Mortgagee or any other party shall succeed to the interest of a Developer Party in the Property or any portion thereof pursuant to the exercise of remedies under a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the interest of a Developer Party hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the applicable Developer Party for all purposes under this Agreement (excluding the payment of any City Funds, which shall not be paid unless it is determined by the City, in its sole discretion, that such payment is permitted by law and necessary or desirable to insure the completion of the Project) so long as such party accepts all of the obligations and liabilities of the applicable Developer Party hereunder. Notwithstanding any other provision of this Agreement to the contrary, if such party accepts an assignment of the Developer' Party's interest under this Agreement, such party shall have no liability under this Agreement for any Event of Default of the applicable Developer Party which accrued prior to the time such party succeeded to the interest of the applicable Developer Party under this Agreement, in which case such Developer Party shall be solely responsible, and the liability of any mortgagee who accepts such an assignment shall be limited to such mortgagee's interest in the applicable portion of the Property.

(b) Non-acceptance of assignment. In the event that any Permitted Mortgagee or other party succeeding to any Developer Party's interest in the Property or portion thereof does not expressly accept an assignment of such Developer Party's interest hereunder, such party shall be bound only by the Governing Documents and those provisions of this Agreement which are covenants expressly running with the land and identified in Section 7.02. A Permitted Mortgagee (but no other party) may request relief from this requirement if, in such Permitted Mortgagee's view, some or all of such covenants constitute onerous or impractical encumbrances that will make it difficult or impossible for the Mortgagee to operate the Property or transfer the Property or portion thereof to a third party. The Commissioner agrees to hear and consider such request for relief in light of all of the facts and circumstances, upon a presentation to DOH by the Permitted Mortgagee of evidence or facts indicating that such encumbrances are onerous or impractical. Consideration of the requested relief shall be in the Commissioner's sole discretion.

(c) No Greater Rights. In no instance shall a Permitted Mortgagee or other party succeeding to any Developer Party's interest in the Property or any portion thereof have any greater rights or remedies against the City regarding the environmental condition of the Property than any Developer Party would have under this Agreement. Each mortgagee, lienholder and encumbrancer is hereby given notice of the limitations and the release and hold harmless provisions set forth in Section 11 hereof.

(d) New Mortgages. During the Term of the Agreement, no mortgages, deeds of trust, collateral assignments of beneficial interests, or pledges of shares, partnership interests or membership interest shall be executed regarding the Property or the any portion thereof or the Developer Parties' interests therein without the prior written consent of DOH, excluding, however, mortgages executed by purchasers of condominium units in the For Sale Improvements and security documents executed in connection with the Lender Financing.

SECTION 17. NOTICE

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

If to the City: City
 Department of Planning and Development
 121 North LaSalle Street, Room 1000
 Chicago, IL 60602
 Attention: Commissioner

and to: City of Chicago
 Department of Housing
 318 South Michigan Avenue
 Chicago, Illinois 60604
 Attention: Commissioner

With Copies To: City of Chicago
 Department of Law
 Finance Division
 121 North LaSalle Street, Room 600
 Chicago, IL 60602

If to the

Developer Parties: c/o Holsten Management Corporation
1333 North Kingsbury Street, Suite 305
Chicago, Illinois 60622
Attn: Peter Holsten

and to: Kenard Corporation
4242 North Sheridan Road
Chicago, Illinois 60613
Attention: Harold Lichterman

With Copies To: Thomas Thorne-Thomsen
Applegate & Thorne-Thomsen
322 South Green Street, Suite 412
Chicago, Illinois 60607

and to: Jeffrey S. Arnold
Piper, Marbury, Rudnick & Wolfe
203 N. LaSalle Street, Suite 1800
Chicago, Illinois 60601

and to: Apollo Housing Capital, L.L.C.
600 Superior Street, Suite 2626
Cleveland, Ohio 44114
Attn: Thomas Rini

and to: Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 900
Chicago, Illinois 60611
Attn: Legal Department

and to: Chicago Housing Authority
626 W. Jackson Blvd.
Chicago, Illinois 60661
Attn: General Counsel

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. Except as provided in this Section 18.01, and except for changes or amendments that are expressly identified as being within the discretion of the Commissioner (including, without limitation, changes or amendments to Exhibits H, I, K, N and Q), this Agreement and Exhibits the exhibits attached hereto may not be amended without the prior written consent of the City. Notwithstanding such limitation, the Commissioner, in his sole discretion, may amend or otherwise revise: (a) Exhibits A, B, G or L to correct a surveyor's, scrivener's or clerical error in a legal description, provided that such correction does not have a material effect on any portion of the Project; (b) Exhibit C to adjust allocations between line items or to add new line items permitted under the Plan; (c) Exhibit D to comply with the Act or otherwise, provided such amendments do no materially adversely affect the Developer Parties' rights under this Agreement; (d) Exhibits E, M-1 and M-2 in connection with the approval of Change Orders resulting in changes in the Project Budget in accordance with Section 3.05; and (e) Exhibit J to incorporate such revised profit sharing guidelines as may be necessary based on the anticipated or actual financial performance of the For Sale Project.

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

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

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

18.05 Waiver. Waiver by the City or the Developer Parties regarding any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party regarding any other default or regarding any particular default, except to

the extent specifically waived by the City or the applicable Developer Parties in writing.

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

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

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

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of any applicable Governing Document, such applicable Governing Document shall prevail and control.

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DOH or the Commissioner, or any matter is to be to the City's, DOH's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or

determined by the City, DOH or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or DOH in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment. No Developer Party may sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of DOH. Notwithstanding the issuance of any Certificates, any successor in interest to any Developer Party under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement. The Developer Parties consent to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer Parties, the City and their respective successors and permitted assigns and shall inure to the benefit of the Developer Parties, the City and their respective successors and permitted assigns.

18.17 (a) Force Majeure. Neither the City nor the Developer Parties nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder.

(b) City Delay. No Developer Party nor any successor in interest to a Developer Party shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay solely caused by the City's failure or inability to comply with the City's covenant in Section 9.02.

(c) Reasonable Extension of Time. If any event described in Section 18.17(a) or (b) occurs, the applicable party shall be granted such extensions of time as shall be appropriate, as determined by DOH, in its reasonable discretion, to comply with the applicable obligation based on the facts and circumstances warranting such extension.

18.18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

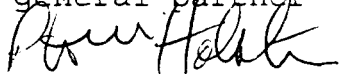
18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if any Developer Party is required to provide notice under the WARN Act, such party shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where such party has locations in the State. Failure by the Developer Party 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.

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


NTV LIMITED PARTNERSHIP, an Illinois limited partnership

By: NTV Development Corporation,
an Illinois corporation, its
sole general partner

By: 
Its: PRESIDENT

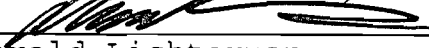
NTV II LIMITED PARTNERSHIP, an Illinois limited partnership

By: NTV II Development Corporation,
an Illinois corporation, its
sole general partner

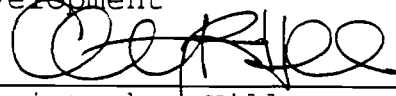
By: 
Its: PRESIDENT

NORTH TOWN VILLAGE LLC, an Illinois limited liability company

By: ~~KENARD CORPORATION, ITS MANAGER~~

By: 
Harold Lichterman, PRESIDENT
~~Managing Member~~

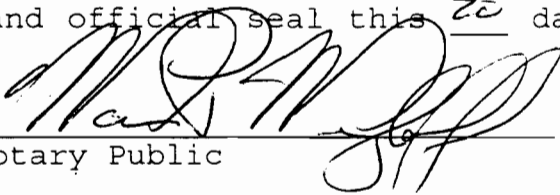
CITY OF CHICAGO, acting by and through its Department of Planning and Development

By: 
Christopher Hill
Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, WARREN WENZLOFF, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Peter M. Holsten, personally known to me to be the President of NTV Development Corporation, an Illinois corporation (the "Corporation"), on its own behalf and in its capacity as the general partner of NTV Limited Partnership, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation, as his free and voluntary act and as the free and voluntary act of the Corporation and NTV Limited Partnership, for the uses and purposes therein set forth.

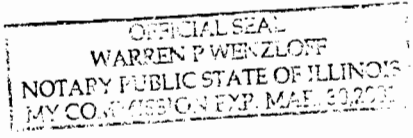
MARCH GIVEN under my hand and official seal this 20 day of February, 2000.



Notary Public

My Commission Expires _____

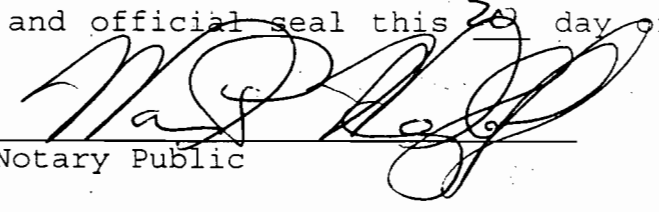
(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, WARREN WENZLOFF, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Peter M. Holsten, personally known to me to be the President of NTV II Development Corporation, an Illinois corporation (the "Corporation"), on its own behalf and in its capacity as the general partner of NTV II Limited Partnership, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation, as his free and voluntary act and as the free and voluntary act of the Corporation and NTV II Limited Partnership, for the uses and purposes therein set forth.

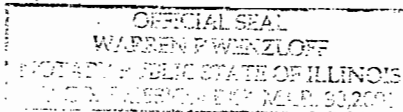
~~February~~ ^{MARCH} GIVEN under my hand and official seal this 20 day of February, 2000.



Notary Public

My Commission Expires _____

(SEAL)

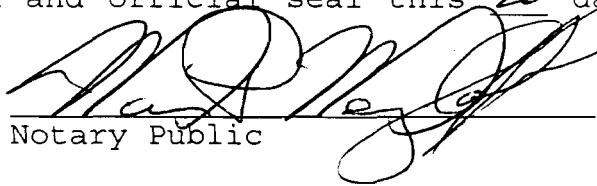


STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

*president of Kenard Corporation,
in its capacity as manager*

I, WARREN WENZLOFF, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Harold Lichterman, personally known to me to be ~~the managing member~~ of North Town Village LLC, an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation, as his free and voluntary act and as the free and voluntary act of the Corporation and North Town Village LLC, for the uses and purposes therein set forth.

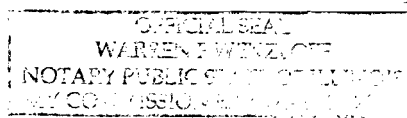
WARREN GIVEN under my hand and official seal this 20 day of ~~February~~, 2000.



Notary Public

My Commission Expires _____

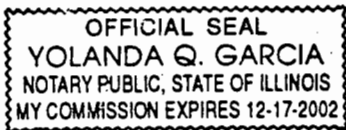
(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Yolanda Q. Garcia, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christopher H. Hill, 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 signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

March GIVEN under my hand and official seal this 8th day of ~~February~~, 2000.



Yolanda Q. Garcia
Notary Public

My Commission Expires Dec. 17, 2002

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 said vacated alley to an intersection with the centerline 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.

EXHIBIT B

LOTS 1 THROUGH 38 IN NORTH TOWN VILLAGE, BEING A RESUBDIVISION OF PART OF VARIOUS LOTS, BLOCKS, STREETS AND ALLEYS IN BUTTERFIELD'S ADDITION TO CHICAGO IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NO.	17-04-113-011,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-014,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-026,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-027,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-030,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-031,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-032,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-033,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-034,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-035,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-036,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-037,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-041,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-042,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-043,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-049,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-050,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-053,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-054,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-055,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-056,	Vol. 497
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PERMANENT REAL ESTATE INDEX NO.	17-04-113-062,	Vol. 497
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PERMANENT REAL ESTATE INDEX NO.	17-04-113-064,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-065,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-066,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-067,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-113-068,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-126-007,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-126-008,	Vol. 497
PERMANENT REAL ESTATE INDEX NO.	17-04-126-001,	Vol. 497

Continued...

Exhibit A, Legal Description - continued...

PERMANENT REAL ESTATE INDEX NO. 17-04-125-013, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-018, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-008, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-017, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-019, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-011, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-014, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-015, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-012, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-125-020, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-127-030, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-128-009, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-128-021, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-128-022, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-128-023, Vol. 497
PERMANENT REAL ESTATE INDEX NO. 17-04-128-024, Vol. 497

COMMON ADDRESS: VACANT PROPERTY LOCATED AT THE NORTHEAST CORNER OF
HALSTED AND SCOTT STREET

C:\POL\WHOLE.LGL

EXHIBIT C

TIF-Funded Improvements

Property Assembly Costs ¹	\$6,600,000
Construction of Public Improvements	\$2,000,000

¹ Includes site preparation costs, such as hill removal, and environmental remediation costs.

EXHIBIT D

Near North Redevelopment Plan

[Omitted For Recording Purposes]

EXHIBIT E

Description of Financing

A. Rental Phase I Financing

1. Rental Phase I Tax Credit Equity Not less than \$8,646,893
2. Illinois Housing Development Authority Risk-Sharing First Mortgage Loan Not to exceed \$2,575,000
3. City of Chicago HOME Program Second Mortgage Loan Not to exceed \$7,964,950
4. Chicago Housing Authority Mixed Finance Third Mortgage Loan Not to exceed \$3,650,000
5. Federal Home Loan Bank Loan Not to exceed \$300,000

B. Rental Phase II Financing

1. Rental Phase II Tax Credit Equity Not less than \$2,300,000
2. City of Chicago HOME Program Second Mortgage Loan Not to exceed \$4,000,000
3. Chicago Housing Authority Mixed Finance Third Mortgage Loan Not to exceed \$3,841,019
4. Federal Home Loan Bank Loan Not to exceed \$320,000

C. For Sale Financing

1. Bank One, N.A. First Mortgage Loan Not to exceed \$11,000,000

NOTE: During construction of the For Sale Project, Bank One shall have a first mortgage, the City a second mortgage, and the CHA a third mortgage on the For Sale Property. As the 40 CHA Phase II Units are completed, converted to condominiums and sold to Rental Phase II Partnership, the City's second mortgage and CHA's third mortgage shall be released with respect to applicable For Sale Property and become first and second mortgages, respectively, on the now separate CHA Phase II Units. Bank One shall have no mortgage on such units.

EXHIBIT F-1

Burling/Evergreen Improvements Construction Contract

[Omitted For Recording Purposes]

EXHIBIT F-2

Rental Phase I Improvements Construction Contract

[Omitted For Recording Purposes]

EXHIBIT G

Plat of Subdivision

[Omitted For Recording Purposes; recorded prior to recording of
Redevelopment Agreement]

EXHIBIT H

Common Area Agreement

[Omitted For Recording Purposes; to be recorded immediately after
the Redevelopment Agreement]

EXHIBIT I
PERMITTED LIENS

1. Taxes for 1999 and subsequent years, which are not yet due or payable.
2. Terms, powers, provisions and limitations of the Amended and Restated Agreement of Limited Partnership Agreement of NTV Limited Partnership under which title is held, which are all subordinate to the recorded encumbrances recited below
3. Rights of the partners composing NTV Limited Partnership and of all persons claiming thereunder, which are all subordinate to the recorded encumbrances recited below
4. Rights of the City of Chicago, and any public or quasi-public utilities to maintain their facilities, if any, in the vacated streets and alleys.
5. Terms of the ordinance dated January 12, 2000 passed by the City Council of the City of Chicago vacating portions of N. Ogden Avenue and opening portions of W. Evergreen Street and N. Burling Street
Recorded: March ____, 2000
6. Terms of the Plat of Opening opening portions of W. Evergreen Street and N. Burling
Recorded: March ____, 2000
7. Terms of the Plat of Subdivision of North Town Village
Recorded: March ____, 2000
8. Easement from NTV Limited Partnership and North Town Village LLC in favor of Chicago Park District,
For: Sewer line under W. Goethe Street
Dated: _____, 2000
Recorded: March ____, 2000
9. Temporary Construction Easement from Young Men's Christian Association in favor of NTV Limited Partnership and North Town Village, LLC
For: **Reconnection** of sewer line into new N. Burling Street
Dated: _____, 2000
Recorded: March ____, 2000
10. Declaration of Restrictive Covenants
By and between: NTV Limited Partnership and Chicago Housing Authority.
Dated: February 1, 2000
Recorded: March ____, 2000
11. Declaration of Restrictive Covenants

- By and between: North Town Village LLC and Chicago Housing Authority.
Dated: February 1, 2000
Recorded: March __, 2000
12. Regulatory and Operating Agreement:
By and between: Chicago Housing Authority and NTV Limited Partnership.
Dated: March __, 2000
Recorded: March __, 2000
 13. Memorandum of Lease Agreement and Statement of Uses and Restrictions
Contained Therein
Lessor: NTV Limited Partnership
Lessee: Chicago Housing Authority
Dated: _____, 2000
Recorded: March __, 2000
 14. Intercreditor Agreement
By and between: City of Chicago, Chicago Housing Authority, Illinois Housing
Development Authority
Dated: February 1, 2000
Recorded: March __, 2000
 15. North Town Village Redevelopment Agreement:
By and between: City of Chicago, NTV Limited Partnership, NTV II Limited
Partnership, North Town Village LLC.
Dated: February 1, 2000
Recorded: March __, 2000
 16. Common Area Agreement
By and between: North Town Village LLC and NTV Limited Partnership.
Dated: _____, 2000
Recorded: March __, 2000
 17. Low Income Housing Extended Use Agreement:
By and between: NTV Limited Partnership and Illinois Housing Development Authority.
Dated: February 1, 2000
Recorded: March __, 2000
 18. Regulatory Agreement
By and between: NTV Limited Partnership and Illinois Housing Development Authority.
Dated: February 1, 2000
Recorded: March __, 2000
 19. Regulatory Agreement

By and between: City of Chicago and NTV Limited Partnership:

Dated: February 1, 2000

Recorded: March __, 2000

20. Mortgage, Security Agreement and Assignment of Rents and Leases
Mortgagor: NTV Limited Partnership
Mortgagee: Illinois Housing Development Authority
Dated: February 1, 2000
Recorded: March __, 2000
21. Subordination of Management Agreement:
Between: Holsten Management Corporation and Illinois Housing Development Authority.
Dated: February 1, 2000
Recorded: March __, 2000
22. Second Mortgage, Security Agreement and Financing Statement
Mortgagor: NTV Limited Partnership
Mortgagee: Illinois Housing Development Authority
Dated: February 1, 2000
Recorded: March ____, 2000
23. Assignment of Rents and Leases
Assignor: NTV Limited Partnership
Assignee: City of Chicago, Illinois
Dated: February 1, 2000
Recorded: March __, 2000
24. Third Mortgage, Security Agreement and Financing Statement
Mortgagor: NTV Limited Partnership
Mortgagee: Chicago Housing Authority
Dated: February 1, 2000
Recorded: March ____, 2000
25. **Assignment of Rents and Lease**
Assignor: NTV Limited Partnership
Assignee: Chicago Housing Authority
Dated: February 1, 2000
Recorded: March __, 2000
26. Recapture Agreement:
By and between: NTV Limited Partnership, Chicago Housing Authority and Uptown National Bank
Dated: _____, 2000
Recorded: March __, 2000

EXHIBIT J

For Sale Profit Sharing Guidelines

For Sale LLC shall be required to submit to the City on June 30 and December 31 of every calendar year during the term of this Agreement, a calculation ("Profit Share Calculation") showing the excess, if any, of "Aggregate Net Sales Proceeds" over the "Aggregate Calculated Profit Entitlement." Such excess shall be referred to herein as the "Profit Share Pool." For Sale LLC acknowledges that the City is entitled, over the course of this Agreement, to receive payments equal to fifty percent (50%) of the Profit Share Pool (the "City Profit Share Amount"). Within 15 days after submission to the City of the Profit Share Calculation required under this paragraph, For Sale LLC shall be required to pay to the City the City Profit Share Amount, to the extent the City has not already received payments hereunder equal to the amount of the City Profit Share Amount indicated in the submitted Profit Share Calculation.

For purposes herein, the term "Aggregate Net Sales Proceeds" shall mean the gross sales proceeds arising from the sale of the 105 For Sale Unit as of the date of the Profit Share Calculation, less all broker's commissions paid to parties unaffiliated with any Developer Party, customary charges for title, closing and recording costs, any state and county transfer taxes payable by For Sale LLC, such amounts as may be payable under the Bank One Financing documents in connection with the sale of such units, and such amounts of Developer Party Equity, if any, as may have been contributed to the costs of all such units.

For purposes herein, the term "Aggregate Calculated Profit Entitlement" shall mean the product of (i) twelve percent (12%), times (ii) total gross sales proceeds as reported on line 11 of Illinois Real Estate Transfer Declaration Form PTAX-203 (or any other gross sales price reporting form acceptable to For Sale LLC and the City) for all of the 105 For Sale Units sold as of the date of the submitted Profit Share Calculation.

For Sale LLC represents and warrants that the pro forma base sales prices set forth in the For Sale Marketing Projection attached as Exhibit O have been calculated to include an estimated 9% profit factor.

EXHIBIT K

Intercreditor Agreement

[Omitted For Recording Purposes; Recorded Separately]

EXHIBIT L

PRIVATE PARCEL LEGAL DESCRIPTION

CLYBOURN-OGDEN REDEVELOPMENT AREA

PARCEL C-2

1331 NORTH HALSTED

CHICAGO, IL

17-04-126-007;17-04-125-012;17-04-113-068;17-04-125-008

17-04-125-011;17-04-125-013;17-04-125-014;17-04-125-015;

17-04-125-017;17-04-125-018;17-04-125-019;17-04-125-020; & 17-04-125-001

PARCEL 1:

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8 (EXCEPT THOSE PARTS OF LOTS 1, 2, 3, 4, 5 AND 6 TAKEN FOR THE OPENING OF NORTH OGDEN AVENUE) IN THE ASSESSOR'S DIVISION OF THE SUBDIVISION OF LOTS 91 AND 93 IN BUTTERFIELD'S ADDITION TO CHICAGO IN THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1, 2, 3, AND 4, TOGETHER WITH THE VACATED 13-FOOT ALLEY ADJOINING SAID LOTS 2, 3 AND 4 ALL IN THE SUBDIVISION OF PART OF LOTS 91 AND 93 IN BUTTERFIELD'S ADDITION TO CHICAGO, AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1, 2, 3, 4, AND 5 (INCLUDING PART OF LOT 2 FORMERLY USED AS AN ALLEY, NOW VACATED), IN COUNTY CLERK'S DIVISION OF PART OF LOTS 91 AND 93 IN BUTTERFIELD'S ADDITION TO CHICAGO, AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 1, 2, 3, 4, 5 AND 6 (EXCEPT THOSE PARTS OF LOTS 3, 4, 5 AND 6 TAKEN FOR THE OPENING OF NORTH OGDEN AVENUE) IN THE ASSESSOR'S DIVISION OF LOT 89 IN BUTTERFIELD'S ADDITION TO CHICAGO, AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOT 4 (EXCEPT PART TAKEN FOR THE OPENING OF NORTH OGDEN AVENUE) IN THE ASSESSOR'S DIVISION OF THE NORTH 1/2 OF LOT 87 IN

BUTTERFIELD'S ADDITION TO CHICAGO, AFORESAID, IN COOK COUNTY,
ILLINOIS.

PARCEL 6:

ALL OF WEST EVERGREEN STREET (66-FOOT WIDE) AND WEST GOETHE
STREET (40-FOOT WIDE) LYING BETWEEN THE EAST LINE OF NORTH
HALSTED STREET, EXTENDED, AND THE NORTHWESTERLY LINE OF NORTH
OGDEN AVENUE, EXTENDED, AS OPENED BY ORDINANCE PASSED
FEBRUARY 18, 1919, SAID STREETS, EVERGREEN AND GOETHE, BEING
VACATED BY CITY ORDINANCE PASSED NOVEMBER 14, 1978, AND
RECORDED JANUARY 4, 1979, AS DOCUMENT NUMBER 24789416, IN COOK
COUNTY, ILLINOIS.

NORTH TOWN VILLAGE SOURCES AND USES OF FUNDS

USES OF FUNDS	
TOTAL ACQUISITION COSTS:	\$0
Construction Costs	\$16,387,000
Off-Site Buildings	\$135,000
General Requirements	\$981,000
Contractor Overhead	\$327,000
Contractor Profit	\$981,000
Materials Storage Charges	\$140,000
Landscaping/ Fencing/ Parks	\$195,000
Contingency	\$742,365
TOTAL HARD COSTS:	\$19,888,365
Architect Design & Supervision	\$640,000
Legal Fees -- total	\$264,071
Permit Expediter Fees	\$10,000
Consultant: Financial - TIF	\$3,500
Accounting	\$50,000
Appraisal Market For-Sale Units/ \$1 Land	\$10,000
Phase II Reports	\$19,690
Construction Period Taxes	\$100,000
Title & Recording	\$25,000
Const. Period Insurance	\$109,700
IHDA/ DOH Application Fees	\$2,500
IHDA Market study, phase I, bank fee, arc	\$39,000
IHDA Legal Fees	\$17,000
IHDA - 3 Years (39 months) of MIP	\$41,844
IHDA - 27 months of Servicing	\$14,484
IHDA Underwriting Fee	\$51,500
Survey/ Soil Borings	\$25,000
IHDA Negative Arbitrage / Interest Costs	\$310,000
Pre-Development Interest Costs	\$35,260
Marketing and Leasing	\$120,000
Developers Fee	\$990,000
Tenant Services	\$275,000
TOTAL SOFT COSTS	\$3,153,549
IHDA Tax Credit Reservation Fees	\$62,851
IHDA Debt Service Reserves	\$18,495
IHDA Initial Replacement Reserve	\$23,200
IHDA Real Estate Tax Escrow	\$94,500
IHDA Insurance Escrow	\$36,750
IHDA Initial Operating Deficit Reserve	\$92,500
IHDA - Working Capital Reserve	\$77,250
TOTAL TC EXP + RESERVES	\$405,546
Uptown -- FHLB Servicing Fee	\$10,000
LaSalle LC Fee (Apollo)	\$35,000
Required Partnership Reserves	\$272,750
TOTAL PARTNERSHIP COSTS	\$317,750
GRAND TOTAL COSTS	\$23,765,210

SOURCES OF FUNDS	
IHDA Risk Share	\$2,575,000
DOH HOME	\$7,830,816
CHA PHDF	\$3,650,000
FHLB AHP	\$300,000
EQUITY *	\$8,446,644
Equity Outside of Escrow**	\$962,750
TOTAL SOURCES	\$23,765,210

* See attached draw schedule for details on the timing of these funds. \$700,010 will come in as cash at closing, with the balance as LCs to be drawn by IHDA or DOH & CHA.

** This is the amount of equity that will not be secured by an LC to any Lender. It includes \$690,000 of the developer fee and \$272,750 of Partnership Reserves.

DOH TAX CREDITS:	\$203,179
IHDA TAX CREDITS:	\$966,937
TOTAL CREDITS:	\$1,170,116

TOTAL MARKET, AFFORDABLE, AND PUBLIC HOUSING UNITS

NORTH TOWN VILLAGE PHASE II

	Number of Units	Percent of Total Units:	Total Square Footage	Sq Ft as % of Total
Total	145	100%	199,249	100%
Market Units	93	64.1%	126,531	63.50%
Affordable Units	12	8.3%	15,512	7.79%
CHA Units	40	27.6%	57,206	28.71%

TOTAL DEVELOPMENT COSTS		<u>Per Unit</u>	<u>Per Square Foot</u>
Acquisition costs	\$ -	\$ -	\$ -
Total Construction Costs	\$ 21,182,955	\$ 146,089	\$ 106.31
Landscaping/ Fencing/ Parks	\$ 360,497	\$ 2,486	\$ 1.81
Construction Contingency	\$ 1,102,757	\$ 7,605	\$ 5.53
Architect Fees	\$ 723,309	\$ 4,988	\$ 3.63
Legal / Accounting / Closing Fees	\$ 420,000	\$ 2,897	\$ 2.11
Market Study	\$ 20,000	\$ 138	\$ 0.10
Environmental Report/ Tests	\$ 23,000	\$ 159	\$ 0.12
Construction Taxes/ Insurance	\$ 588,153	\$ 4,056	\$ 2.95
Construction Period Interest	\$ 907,578	\$ 6,259	\$ 4.55
Lenders Fees/ Appraisals/ Surveys	\$ 178,000	\$ 1,228	\$ 0.89
Sales Pavilion	\$ 475,000	\$ 3,276	\$ 2.38
Seminars / Community Seminars	\$ 223,833	\$ 1,544	\$ 1.12
Brokers Fees/ Advertising	\$ 1,720,100	\$ 11,863	\$ 8.63
Job Placement Staff	\$ 225,000	\$ 1,552	\$ 1.13
Buyers Upgrades	\$ 105,000	\$ 724	\$ 0.53
Administration Fee	\$ 650,000	\$ 4,483	\$ 3.26
Community Consultants	\$ 300,000	\$ 2,069	\$ 1.51
Anticipated Developer Profit	\$ 2,820,099	\$ 19,449	\$ 14.15
TOTAL ACQUISITION PRICE PAID TO FOR-SALE LLC	\$ 32,025,281	\$ 220,864	\$ 160.73
Operating Deficit Reserve	\$ 540,375	\$ 3,727	\$ 2.71
Replacement Reserve	\$ 525,000	\$ 3,621	\$ 2.63
Transfer Taxes	\$ 60,814	\$ 419	\$ 0.31
Marketing/ Lease-Up Reserve/ Fee	\$ 75,000	\$ 517	\$ 0.38
Insurance Escrow	\$ 12,600	\$ 87	\$ 0.06
Initial Payment into Condominium Assoc.	\$ 12,000	\$ 83	\$ 0.06
ADDITIONAL RENTAL PHASE II COSTS	\$ 33,251,070	\$ 229,318	\$ 166.88

Last Updated 2/27/00

RENTAL PHASE II UNITS NORTH TOWN VILLAGE DEVELOPMENT BUDGET AND INCOME STREAM

	Number of Units	Percent of Total Units:	Total Square Footage	Sq Ft as % of Total
Total	40	100%	57,206	100%
CHA Units	40	100.0%	57,206	100.00%

TOTAL DEVELOPMENT COSTS		Depreciable Basis	Per Unit	Per Square Foot
Acquisition costs	\$ -	\$ -	\$ -	\$ -
Total Construction Costs	\$ 6,267,209	\$ 6,267,209	\$ 156,680	\$ 109.56
Landscaping/ Fencing/ Parks	\$ 107,727	\$ 107,727	\$ 2,693	\$ 1.88
Construction Contingency	\$ 344,331	\$ -	\$ 8,608	\$ 6.02
Architect Fees	\$ 207,604	\$ 207,604	\$ 5,190	\$ 3.63
Legal / Accounting / Closing Fees	\$ 120,586	\$ 36,176	\$ 3,015	\$ 2.11
Market Study	\$ -	\$ -	\$ -	\$ -
Environmental Report/ Tests	\$ 6,604	\$ 6,604	\$ 165	\$ 0.12
Construction Taxes/ Insurance	\$ 167,856	\$ 167,856	\$ 4,196	\$ 2.93
Construction Period Interest	\$ 59,087	\$ 59,087	\$ 1,477	\$ 1.03
Lenders Fees/ Appraisals/ Surveys	\$ 36,420	\$ 36,420	\$ 911	\$ 0.64
Sales Pavilion	\$ -	\$ -	\$ -	\$ -
Seminars / Community Seminars	\$ 203,500	\$ -	\$ 5,088	\$ 3.56
Brokers Fees/ Advertising	\$ -	\$ -	\$ -	\$ -
Job Placement Staff	\$ 225,000	\$ 33,750	\$ 5,625	\$ 3.93
Buyers Upgrades	\$ -	\$ -	\$ -	\$ -
Administration Fee	\$ 186,622	\$ 186,622	\$ 4,666	\$ 3.26
Community Consultants	\$ 300,000	\$ -	\$ 7,500	\$ 5.24
Anticipated Developer Profit	\$ 895,884	\$ 895,884	\$ 22,397	\$ 15.66
TOTAL ACQUISITION PRICE PAID TO FOR-SALE LLC	\$ 9,128,430	\$ 8,004,939	\$ 228,211	\$ 159.57
Operating Deficit Reserve	\$ 540,375	\$ -	\$ 13,509	\$ 9.45
Replacement Reserve	\$ 525,000	\$ -	\$ 13,125	\$ 9.18
Transfer Taxes	\$ 60,814	\$ 60,814	\$ 1,520	\$ 1.06
Marketing/ Lease-Up Reserve/ Fee	\$ 75,000	\$ -	\$ 1,875	\$ 1.31
Insurance Escrow	\$ 12,600	\$ -	\$ 315	\$ 0.22
Initial Payment into Condominium Assoc.	\$ 12,000	\$ -	\$ 300	\$ 0.21
TOTAL RENTAL PHASE II COSTS	\$ 10,354,219	\$ 8,065,753	\$ 258,855	\$ 181.00

TAX CREDIT ASSUMPTIONS		Fraction	Boost?
Acquisition Basis:	\$ 60,814	3.670%	NA
Rehab Basis:	\$ 8,004,939		
Less CHA PHDF	\$ (3,841,019)		
Adjusted Rehab Basis	\$ 4,163,920	8.380%	YES
Sales Price of Credits:	\$ 0.830		

Assumes 9% credits, 130% boost, CHA funds excluded from basis, HOME and FAF at AFR%.

DOH HOME FUNDS	\$ 2,429,651
IHDA FAF/ Trust Fund FUNDS	\$ 300,000
DOH TAX CREDITS	\$ 455,849
CHA PHDFS	\$ 3,841,019
TOTAL SOURCES	\$ 10,354,219

Estimated Credits Per Year	
2000	\$ -
2001	\$ 184,301
2002	\$ 182,703
2003	\$ 88,846

Last Updated 2/27/00

TOTAL MARKET AND AFFORDABLE FOR-SALE UNITS NORTH TOWN VILLAGE

	Number of Units	Percent of Total Units:	Total Square Footage	Sq Ft as % of Total
Total	105	100%	142,043	100%
Market Units	93	88.6%	126,531	89.08%
120% AMI Affordable Units	12	11.4%	15,512	10.92%

TOTAL FOR-SALE DEVELOPMENT COSTS		<u>Per Unit</u>	<u>Per Square Foot</u>
Acquisition costs	\$ -	\$ -	\$ -
Total Construction Costs	\$ 14,915,746	\$ 142,055	\$ 105.01
Landscaping/ Fencing/ Parks	\$ 252,770	\$ 2,407	\$ 1.78
Construction Contingency	\$ 758,426	\$ 7,223	\$ 5.34
Architect Fees	\$ 515,705	\$ 4,911	\$ 3.63
Legal / Accounting / Closing Fees	\$ 299,414	\$ 2,852	\$ 2.11
Market Study	\$ 20,000	\$ 190	\$ 0.14
Environmental Report/ Tests	\$ 16,396	\$ 156	\$ 0.12
Construction Taxes/ Insurance / Title & Rec	\$ 420,297	\$ 4,003	\$ 2.96
Construction Period Interest	\$ 848,491	\$ 8,081	\$ 5.97
Lenders Fees/ Appraisals/ Surveys	\$ 141,580	\$ 1,348	\$ 1.00
Sales Pavilion & Model	\$ 475,000	\$ 4,524	\$ 3.34
Seminars / Community Seminars	\$ 20,333	\$ 194	\$ 0.14
Brokers Fees/ Advertising	\$ 1,720,100	\$ 16,382	\$ 12.11
Buyers Upgrades	\$ 105,000	\$ 1,000	\$ 0.74
Administration Fee	\$ 463,378	\$ 4,413	\$ 3.26
Community Consultants	\$ -	\$ -	\$ -
Anticipated Developer Profit	\$ 1,924,215	\$ 18,326	\$ 13.55
TOTAL DEVELOPMENT COSTS	\$ 22,896,851	\$ 218,065	\$ 161.20

TOTAL FOR SALE SOURCES OF FUNDS			
	<u>Amount of Sale Proceeds</u>	<u>Per Affordable Unit</u>	<u>Per Market Unit</u>
2) Affordable Sales Income	\$ 2,280,416	\$ 190,035	
3) Market Sales Income	\$ 20,616,435		\$ 221,682
TOTAL:	\$ 22,896,851		

Last Updated 12-2-99

EXHIBIT M-2

NORTH TOWN VILLAGE

Development Budget Estimates Subject to MBE/WBE Requirements

RENTAL PHASE I	
Midrise	\$14,450,000
Eight Flat #1	\$1,000,500
Eight Flat #2	\$1,000,500
Six Flat #1	\$1,112,500
Six Flat #2	\$1,112,500
Landscaping	\$195,000
Community Building	\$135,000
TOTAL RENTAL PHASE I	\$19,006,000
Rental Phase I Contingency	\$742,365

INFRASTRUCTURE	
General Requirements	\$307,965
Earthwork	\$525,960
Paving	\$33,867
Parking/ Curbs/ Sidewalks	\$565,693
Electrical	\$791,000
Landscaping	\$250,000
Sewer/ Water	\$721,440
Builder's Risk Insurance	\$7,000
Contractor's Overhead and Profit	\$359,292
TOTAL INFRASTRUCTURE	\$3,552,217
INFRASTRUCTURE CONTINGENCY	\$289,496

FOR SALE CONSTRUCTION ESTIMATES	
Townhomes	\$11,500,000
Eight Flats, Six Flats, Four Story Walk-Up	\$4,050,000
Low-Rise Condominiums	\$5,625,000
Landscaping	\$360,497
Community Building	\$125,000
TOTAL FOR SALE CONSTRUCTION ESTIMATES	\$21,660,497
FOR SALE CONSTRUCTION CONTINGENCY	\$1,102,757

GRAND TOTAL ESTIMATED CONSTRUCTION COSTS	\$44,228,714
WBE REQUIREMENT AT 30%	\$13,268,614
MBE REQUIREMENT AT 12%	\$5,307,446
Construction Contingency	\$2,134,618
MBE At 30%, if applicable	\$640,385
WBE at 12% if applicable	\$256,154

EXHIBIT N

Rental Phase I Escrow Agreement

[Omitted For Recording Purposes]

EXHIBIT O

For Sale Marketing Projection
[Omitted For Recording Purposes]

EXHIBIT P
List of Building Permit Fee Waivers

Department of Buildings

Waiver of Plan Review, Permit and Inspection Fees:

- A. Building Permit:
 - Zoning.
 - Construction/Architectural/Structural.
 - Internal Plumbing.
 - HVAC.
 - Water for Construction.
 - Smoke Abatement.
- B. Electrical Permit:
 - Service and Wiring.
- C. Elevator Permit (if applicable).
- D. Wrecking Permit (if applicable).
- E. Fencing Permit (if applicable).

Department of Sewers

Permit (connection) and Inspection Fees . .
Sealing Permit Fees.

Department of Water

Tap Fees.
Termination Fees for Existing Water Taps.
(Fees to purchase B-boxes and remote read-outs are not waived.).

Department of Transportation

Street Opening Fees.
Driveway Permit Fees.
Use of Public Way Fees.

EXHIBIT Q

PRIOR EXPENITURES
(SEE COLUMN 3)

Date: 3-16-2000
Payment Application # 1
Period from: Initial to 03/16/2000
Change Orders # None

Development Title: North Town Village Rental
Building: 1311,1415,1427 North Haisted 1321,1329 North Buring
Owner: North Town Village Limited Partnership
Architect: Bauhs, Dring, Main
Contractor: Linn-Mathes Inc.

[1] Contractor Work/Material Contracted for	[2] Adjusted Total Contract Including Change Orders	%	[3] Work Completed & Material Stored Dollar Value	[4] Total Retained including this Application	[5] Previously Paid	[6] Net Amount Now Due Col. 3 Minus (Cols. 4 + 5)	9990pay1 [7] Balance To Become Due Col. 2 Minus (Cols. 5 + 6)
LINN-MATHES INC. 309 SOUTH GREEN ST. CHICAGO, IL. 60607 GENERAL REQUIREMENTS	1,055,000	7.5%	78,994	0	0.00	78,994	976,006
II IN ONE CONSTRUCTION 4344 WEST 45TH STREET CHICAGO, IL. 60632 EARTH WORK	431,800	0.0%	0	0	0.00	0	431,800
TO BE LET LANDSCAPING/FENCING ALLOWANCE	195,000	0.0%	0	0	0.00	0	195,000
II IN ONE CONSTRUCTION 4344 WEST 45TH STREET CHICAGO, IL. 60632 CURBS & WALKS	50,000	0.0%	0	0	0.00	0	50,000
DIXON MASONRY 1232 WEST 103RD STREET CHICAGO, IL. 60643 MASONRY	2,017,630	0.0%	0	0	0.00	0	2,017,630
II IN ONE CONSTRUCTION 4344 WEST 45TH STREET CHICAGO, IL. 60632 BUILDING CONCRETE	3,175,800	6.4%	202,105	0	0.00	202,105	2,973,695
LEGNA IRONWORKS 30 WEST CENTRAL ROSELLE, IL. 60172 STEEL & MISC. IRON	440,800	0.0%	0	0	0.00	0	440,800
CASE FOUNDATION COMPANY 1325 WEST LAKE STREET ROSELLE, IL. 60172 CAISSONS/SHEET PILING	335,000	0.0%	0	0	0.00	0	335,000
LINN-MATHES INC. DEWATERING	15,000	0.0%	0	0	0.00	0	15,000
JATHAN LINN & SONS, INC. 09 S. GREEN STREET CHICAGO, IL. 60607 ROUGH CARPENTRY	949,207	22.4%	212,930	0	0.00	212,930	736,277
JATHAN LINN & SONS, INC. FINISH CARPENTRY	626,576	0.0%	0	0	0.00	0	626,576
TO BE LET BILLWORK/LOBBY ALLOWANCE	15,000	0.0%	0	0	0.00	0	15,000
JATHAN LINN & SONS, INC. CONTROL JOINT CAULKING	30,000	0.0%	0	0	0.00	0	30,000
ALBERT ROOFING MODIFIED BITUMEN ROOFING/ST. SEAM M	325,000	0.0%	0	0	0.00	0	325,000
JATHAN LINN & SONS, INC. DOORS & HARDWARE	392,723	14.4%	56,489	0	0.00	56,489	336,234
JATHAN LINN & SONS, INC. WINDOWS	295,000	85.7%	252,857	0	0.00	252,857	42,143
IN INTERIOR CONST. DOORFRONT/ GLAZING	80,000	0.0%	0	0	0.00	0	80,000

Development Title: North Town Village Rental
 Building: 1311,1415,1427 North Halsted 1321,1329 North Burling
 Owner: North Town Village Limited Partnership
 Architect: Bauhs, Dring, Main
 Contractor: Linn-Mathes Inc.

Date: 3-16-2000
 Payment Application # 1
 Period from: Initial to 03/16/2000
 Change Orders # None

[1]	[2]		[3]	[4]	[5]	[6]	9990pay1 [7]
Contractor Work/Material Contracted for	Adjusted Total Contract Including Change Orders	%	Work Completed & Material Stored Dollar Value	Total Retained including this Application	Previously Paid	Net Amount Now Due Col. 3 Minus (Cols. 4 + 5)	Balance To Become Due Col. 2 Minus (Cols. 5 + 6)
PROGRESSIVE MAINTENANCE							
5124 WEST NORTH AVE. CHICAGO, IL.							
DRYWALL SYSTEMS/PAINT./INSUL/ACOU MIDRISE BLDG	1,280,000	23.4%	300,000	0	0.00	300,000	980,000
M. ECKER & CO.							
5374 NORTH ELSTON CHICAGO, IL							
DRYWALL SYSTEMS/PAINT./INSUL/ACOU LOWRISE TYPES K AND L	600,000	34.3%	205,700	0	0.00	205,700	394,300
COLEMAN FLOOR CO.							
3100 TOLLVIEW DRIVE ROLLING MEADOWS, IL. 60008							
RESILIENT TILE	145,000	0.0%	0	0	0.00	0	145,000
NATHAN LINN & SONS, INC.							
SPECIALTIES							
	208,000	0.0%	0	0	0.00	0	208,000
NATHAN LINN & SONS, INC.							
CABINETS & TOPS							
	239,430	0.0%	0	0	0.00	0	239,430
TO BE LET							
TRASH CHUTE/COMPACTOR							
	20,000	0.0%	0	0	0.00	0	20,000
G.E./HOTPOINT							
APPLIANCES							
	144,880	78.5%	113,687	0	0.00	113,687	31,193
COLEMAN FLOOR							
CERAMIC TILE							
	40,000	0.0%	0	0	0.00	0	40,000
COLEMAN FLOOR CO.							
CARPETING							
	171,800	0.0%	0	0	0.00	0	171,800
TO BE LET							
TRACTION ELEVATORS							
	300,000	0.0%	0	0	0.00	0	300,000
U.S. FIRE PROTECTION OF ILLINOIS							
28427 N. BALLARD LAKE FOREST, IL. 60045							
SPRINKLER SYSTEMS	501,000	0.0%	0	0	0.00	0	501,000
EWING-DOHERTY MECHANICAL							
304 NORTH YORK RD. BENSENVILLE, IL. 60106							
PLUMBING & ON-SITE UTILITIES	1,063,000	7.0%	74,582	0	0.00	74,582	988,418
MIDWEST HVAC							
14108 SOUTH INDIANA RIVERDALE, IL. 60827							
HVAC	1,150,000	14.0%	161,520	0	0.00	161,520	988,480
TAYLOR ELECTRIC							
1145 WEST KINZIE ST. CHICAGO, IL. 60624							
ELECTRICAL	1,224,000	0.0%	0	0	0.00	0	1,224,000
INN-MATHES INC.							
CHILDER'S OVERHEAD							
	317,900	10.4%	33,177	0	0.00	33,177	284,723
INN-MATHES INC.							
CHILDER'S PROFIT							
	900,000	7.1%	63,839	0	0.00	63,839	836,161
THE ROCKWOOD COMPANY							
2ND PREMIUM							
	136,454	100.0%	136,454	0	0.00	136,454	0
TOTALS	\$18,871,000	10.0%	\$1,892,334	\$0	0.00	\$1,892,334.00	\$16,978,666

Development Title: North Town Village Rental
 Building: 1311,1415,1427 North Halsted 1321,1329 North Burling
 Owner: North Town Village Limited Partnership
 Architect: Bauhs, Dring, Main
 Contractor: Linn-Mathes Inc.

Date: 3-16-2000
 Payment Application # 1
 Period from: Initial to 03/16/2000
 Change Orders # None

[1]	[2]	[3]	[4]	[5]	[6]	[7]	
Contractor Work/Material Contracted for	Adjusted Total Contract Including Change Orders	%	Work Completed & Material Stored Dollar Value	Total Retained including this Application	Previously Paid	Net Amount Now Due Col. 3 Minus (Cols. 4 + 5)	Balance To Become Due Col. 2 Minus (Cols. 5 + 6)
Amount of Original Contract	\$18,871,000				Work Completed (Col. 3)		\$1,892,334.00
Extras to Contract	\$0				Total Retained (Col. 4)		\$0.00
Total Contract and Extras	\$18,871,000				Net Amount Earned(Col.3 minus Col.4)		\$1,892,334.00
Credits to Contract	\$0				Previously Paid (Col. 5)		\$0.00
Adjusted Total Contract	\$18,871,000				Net Amount Due This Payment (Col. 6)		\$1,892,334.00

9990pay1

EXHIBIT R

Opinion of Developer's Counsel

[OMITTED FOR RECORDING PURPOSES]