

Contract Summary Sheet

Contract (PO) Number: 6819

Specification Number: 29271

Name of Contractor: COMMUNITY HOUSING PARTNERS, LP

City Department: DEPARTMENT OF HOUSING

Title of Contract: ARCHER COURTS/MULTI TIF

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

\$2,500,000.00

PO Start Date: 6-1-99

PO End Date: 6-1-25

Brief Description of Work: ARCHER COURTS/MULTI TIF

Procurement Services Contact Person: THOMAS DZIEDZIC

Vendor Number: 1058462

Submission Date:

OCT - 6 2004

RDA

This agreement was prepared by
and after recording return to:

Steven J. Holler
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

REDEVELOPMENT AGREEMENT

CITY OF CHICAGO

AND

COMMUNITY HOUSING PARTNERS V L.P.

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This agreement was prepared by and
after recording return to:

Steven J. Holler
City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (the "Agreement") is made as of this 1st day of June, 1999, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing ("DOH"), and Community Housing Partners V L.P., an Illinois limited partnership (the "Developer").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended (the "Act"), to finance the redevelopment of conservation areas.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on May 12, 1999: (1) "An Ordinance of the City of Chicago, Illinois, Approving a Redevelopment Plan and Project for the Archer Courts Redevelopment Project Area;" (2) "An

Ordinance of the City of Chicago, Illinois, Designating the Archer Courts Redevelopment Project Area a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act;" and (3) "An Ordinance of the City of Chicago, Illinois, Adopting Tax Increment Allocation Financing for the Archer Redevelopment Tax Increment Financing Project". Collectively, these ordinances shall be referred to herein as the "TIF Ordinances." The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer will acquire from the CHA a 99 year leasehold interest in the land located in the Redevelopment Area and legally described on Exhibit B and legal title to all the buildings and all improvements located thereon (the "Property"). Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (the "Project"): rehabilitate the two Archer Courts Apartment buildings located at 2220 and 2242 South Princeton Avenue, Chicago, Illinois including conversion of 1,500 feet of storage space into a community space and the establishment of 38 on-site parking spaces; preserve and rehabilitate 147 residential apartment units, consisting of 106 one bedroom, 28 two bedroom apartment units and 13 three bedroom units, of which 8 will be accessible to handicapped persons and of which 3 will be equipped for the hearing impaired; impose affordability provisions which shall be in effect during the Term of the Agreement which will insure that at least 145 of the 147 units shall be rented as residences to households earning no more than 60% of the area median income at the time of their initial occupancy and who pay as rent an amount that does not exceed 30% of the adjusted income of a family (as defined in 24 C.F.R. Section 5.403) whose gross income equals 60% of the median income for the Chicago area, with adjustment based on the number of bedrooms in the applicable unit, less the monthly allowance for any utilities and services (excluding telephone) paid by the household, all as determined and adjusted from time to time by HUD; and permit all existing tenants who are complying with their lease obligations to remain at the Property and occupy a rehabilitated unit.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Archer Courts Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit C. Among the objectives of the Redevelopment Plan are the revitalization of the Redevelopment Area and the promotion of housing types that accommodate a diverse mix

of households and income levels.

F. Lender Financing: The City acknowledges that other financing for the Project is to be provided as set forth in Exhibit D attached hereto (collectively, the "Lender Financing"). The terms of certain portions of the Lender Financing include requiring the Developer to enter into various occupancy and use restrictions including, but not limited to, the City Regulatory Agreement and the Regulatory Agreement (as defined below).

G. City Financing: Pursuant to the terms and conditions of this Agreement, the City will pay or reimburse the Developer for the TIF-Funded Interest Costs (as defined below) from Available Incremental Revenues (the "City Funds") in the manner set forth in the TIF Ordinances (as defined below).

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

"Available Incremental Revenues" shall mean those Incremental Taxes deposited in the Incremental Taxes Fund attributable to the taxes levied on the Property, to the extent available, allocated by

the City in each fiscal year in the amounts set forth in Exhibit E hereto for payment of the TIF-Funded Interest Costs.

"Bridge Loan" shall mean the loan described in Paragraph 2 of Exhibit D hereto.

"CDBG Loan" shall mean the loan described in Paragraph 3 of Exhibit D hereto.

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

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

"CHA Development Agreement" shall mean the Development Agreement dated June 1, 1999 between the Developer and the CHA.

"CHA Lease" shall mean the 99-year lease of the Property dated June 1, 1999 between the Developer and the CHA.

"CHA Loan" shall mean the loan described in Paragraph 4 of Exhibit D hereto.

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

"City Regulatory Agreement" shall mean the Regulatory Agreement dated June 1, 1999 between the Developer and the City.

"Closing Date" shall mean June 9, 1999.

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

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

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

"Environmental Laws" shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response,

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

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

"FHA-Insured Loan" shall have the meaning set forth in Paragraph 1 of Exhibit D hereto.

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

"First Mortgagee" shall mean TRI Capital Corporation, a California corporation, or the then holder of the FHA-Insured Loan if TRI Capital Corporation is not then such holder, together with their respective successors and assigns.

"General Contract" shall mean that certain Construction Contract-Cost Plus (HUD Form 92442A) dated May 18, 1999 between the Developer and the General Contractor, which General Contract covers the rehabilitation work depicted and described in the Plans and Specifications and all additional work necessary for the completion of the Project.

"General Contractor" shall mean Burling Builders, Inc., an Illinois corporation.

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

"HUD" or "FHA" shall mean the United States Department of Housing and Urban Development, or the Federal Housing Administration, an administrative unit within HUD, respectively.

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

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

"LaSalle Loan" shall mean the loan described in Paragraph 5 of Exhibit D hereto.

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

"Lenders" shall mean the providers of the Lender Financing.

"Limited Partner" shall mean Chicago Equity Fund 1998 Limited Partnership, an Illinois limited partnership, the limited partner of the Developer, its successors and assigns.

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

"Other Funds" shall mean those funds set forth in paragraph B of Exhibit D.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project prepared by Landon Architects, Ltd..

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

"Project Budget" shall mean the budget for the Developer Project attached hereto as Exhibit F.

"Project Costs" shall mean all of the costs incurred in connection with the acquisition, rehabilitation and financing of the Project, including all required reserves.

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

"Regulatory Agreement" shall mean that certain Regulatory Agreement for Multifamily Housing Projects dated as of June 1, 1999 and amendments thereto, if any, entered into between the Developer and HUD with respect to the Property.

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

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

"Term of the Agreement" shall mean the term commencing on the date of execution of this Agreement and ending May 11, 2022.

"TIF-Funded Interest Costs" shall mean those costs which (i) are included within the definition of redevelopment project costs in Section 5/11-74.4-3(q) of the Act and are included in the Plan, and (ii) have the meaning set forth in Section 4.02 hereof.

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

"Title Company" shall mean Title Services, Inc., as agent for First American Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, issued by the Title Company.

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

SECTION 3. THE PROJECT

3.01 The Project.

The Developer shall: (i) commence rehabilitation of the Project (as evidenced by the Developer's issuance of a notice to proceed to the General Contractor) no later than May 31, 1999; and (ii) complete rehabilitation of the Project no later than May 31, 2001, subject to the provisions of Section 18.16 of this Agreement. The Project shall be carried out in accordance with the Plans and Specifications for the Project. In the event that HUD grants an extension of time for commencement or completion of rehabilitation of the Project, the Developer shall notify the City within five business days after receipt of notice of such extension and the foregoing dates shall be automatically extended accordingly.

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

3.03 Project Budget; Change Orders. (a) The Developer has furnished to DOH, and DOH has approved, the Project Budget, which shows total costs for the Project in an amount not less than Eleven Million Dollars (\$11,000,000). The Developer hereby certifies to the City that (1) Lender Financing and Other Funds shall be sufficient to pay all Project Costs (other than the TIF-Funded Interest Costs) and (2) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer hereby represents to the City that the Lender Financing is (i) along with Other Funds and the City Funds, necessary to pay for all Project Costs and (ii) available to be drawn upon to pay for certain Project Costs in accordance with the terms of the documents securing the Lender Financing.

(b) Changes to the Plans and Specifications entered into by Developer prior to the Closing Date are included in the definition of Plans and Specifications and will be approved by DOH as part of its approval under Section 3.02. Except as provided below, all change orders entered into after the Closing Date (and documentation substantiating the need and identifying the funding therefore) and involving (i) a reduction in the square footage of the Project, or (ii) a change in the basic use of the Project (including, without limitation, a reduction in the number of units) must be submitted by the Developer to DOH for DOH's prior written approval prior to their submission to HUD. All other HUD-approved change orders entered into after the Closing Date shall be reported to DPD in the Developer's quarterly reports to DPD delivered pursuant to Section 11(d).

3.04 Other Approvals. Rehabilitation of the Project and purchase of materials shall not commence until the Developer has obtained all permits and approvals required by state, federal or local statute, ordinance or regulation and the General Contractor has delivered to the Developer the letter of credit and, if applicable, the performance and payment bonds required under Section 7.03. As of the date hereof, the Developer has delivered to DOH, and DOH has reviewed and approved, the General Contract, the Developer's MBE/WBE Contractor Utilization Activity Report and the Developer's MBE/WBE marketing efforts to date, which have included meeting with and providing bid documents to at least four (4) MBE/WBE contractor associations.

3.05 Survey. The Developer shall provide three copies of the Survey to DOH reflecting the existing improvements made to the Property.

3.06 Architect's Certificates and Periodic Reports. The Developer has contracted with Landon Architects, Ltd. (the "Developer's Architect") to act as its architect on the Project. The Developer's Architect shall provide the following documents to DOH:

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

(b) during rehabilitation of the Project on a monthly basis, a copy of AIA Form G-703, or a comparable form containing the same

information as AIA Form G-703, and inspection reports; and

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

SECTION 4. FINANCING FOR THE PROJECT COSTS

4.01 Initial Financing for the Project. The Developer shall pay for all of the Project Costs, except the TIF-Funded Interest Costs, using the proceeds of the Lender Financing and Other Funds.

4.02 Reimbursement for TIF-Funded Interest Costs.

(a) The City hereby agrees to pay or reimburse the Developer from Available Incremental Revenues, if any, for a portion of the interest costs incurred by the Developer that will accrue on (i) the FHA-Insured Loan, (ii) the CDBG Loan, (iii) the CHA Loan, and (iv) the Bridge Loan (collectively, the "TIF-Funded Interest Costs") in each year and in the amounts set forth in Exhibit E hereto; provided, however, that in no event shall the amount payable by the City for TIF-Funded Interest Costs exceed the lesser of (x) the maximum amount specified in Section 4.04 or, (y) the lesser of:

(i) 30 percent of the annual interest costs on the Lender Financing incurred by the Developer with regard to the Project during that year, provided that, if there are not sufficient Available Incremental Revenues to make the payment pursuant to this subparagraph, then the amounts so due shall accrue and be payable when Available Incremental Revenues are available; or

(ii) 30 percent of the total (A) cost paid or incurred by the Developer on the Project, plus (B) redevelopment project costs (excluding any property assembly costs and relocation costs) incurred by the City pursuant to the Act.

(b) The amounts payable pursuant to Section 4.02(a) shall be paid by the City subsequent to the issuance of a Certificate and in accordance with this Agreement while the Lender Financing remains outstanding and so long as the TIF-Funded Interest Costs, may, under the Act, be legally paid out of Available Incremental

Revenues. The amounts payable pursuant to Section 4.02(a) shall be paid annually by the City to the Developer after the issuance of the Certificate for distribution to the appropriate parties. The City will pay the Developer for the TIF-Funded Interest Costs for the Project upon submission by the Developer to the DOH of an executed Requisition Form for TIF-Funded Interest Costs in the form attached hereto as Exhibit I. The Requisition Form for TIF-Funded Interest Costs shall be sent to DOH on or after November 1 of each year that payment is requested, and shall set forth the date for payment which shall be not less than 60 days from the date of its receipt by the DOH. The City Comptroller shall pay, to the extent of any Available Incremental Revenues then available in the Incremental Taxes Fund, the amount requested in the Requisition Form for TIF-Funded Interest Costs within 60 days of its receipt; provided, that the amount so requested shall not exceed the maximum amount payable for such year as shown on Exhibit J attached hereto, plus any portion of such maximum amount for prior years that has not been paid as a result of insufficient funds. The Developer shall submit to the DOH and the Department of Finance at the addresses specified in Section 17 copies of monthly invoices sent to the Developer by the First Mortgagee and a statement of interest accrued on the FHA-Insured Loan, the CDBG Loan, the CHA Loan and the Bridge Loan based on the Developer's most recent Financial Statements (or such other substantiating evidence as the City may accept) to evidence the accrual of such amounts for TIF-Funded Interest Costs. Upon the City's request, the Developer will provide any additional supporting documentation. Attached as Exhibit J is a schedule of maximum amounts which may be reimbursed as interest cost incurred by the Developer in accordance with the Redevelopment Plan and the limitations provided in Section 11-74.4-3(q)(11) of the Act.

4.03 Sufficiency of Available Incremental Revenues. It is hereby understood and agreed to by the Developer that the City does not make any representations that the amount of the Available Incremental Revenues will be sufficient to pay for or reimburse the Developer for any or all of the TIF-Funded Interest Costs.

4.04 Source of City Funds. Subject to the terms and conditions of this Agreement, the City hereby agrees to reserve City Funds from the sources and in the amounts described directly below to pay TIF-Funded Interest Costs:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
-----------------------------	-----------------------

Incremental Taxes
Attributable to the
Tax Parcels Comprising
the Property

\$2,500,000

The Developer acknowledges and agrees that the City has committed to reserve only the Incremental Taxes attributable to the tax parcels comprising the Property and that the Developer has no right or claim to, and the City shall be free to otherwise reserve, pledge and commit to other redevelopment projects or financing, the Incremental Taxes attributable to the other tax parcels in the Redevelopment Area. The Developer further acknowledges and agrees that the Developer's claim to such Incremental Taxes shall be subject and subordinate to the City's claims to (a) an amount equal to ten percent (10%) of the Incremental Taxes available in any given year in order to fund the cost of a job readiness training program to prepare individuals for jobs created within the Redevelopment Area or other redevelopment areas, and (b) \$2,000 of such available Incremental Taxes in any given year to reimburse the City for administrative and other costs which may be paid under the Act.

SECTION 5. GENERAL PROVISIONS

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

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

5.03 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the rehabilitation of the Project indicating that partial financing is being provided by the City. The City reserves the right to include the name, photograph,

artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

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

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

SECTION 6. CONDITIONS

Not less than five (5) business days prior to the Closing Date (or by such other date as may be specified below), the following conditions shall be complied with to the City's satisfaction:

6.01 Title Policy. The Developer shall provide the City with a copy of a title commitment obligating the Title Company to issue the Title Policy insuring the 99 year leasehold interest of the Developer in the Property and, if obtainable, the Developer's legal title to the improvements on such Property. On the Closing Date, the Developer shall provide the City with a copy of such Title Policy.

6.02 Survey. The Developer shall furnish the City with a Survey of the Property.

6.03 Insurance. The Developer, at its own expense, shall insure the Property and provided evidence thereof in accordance with Section 13 hereof.

6.04 Opinion of Developer's Counsel. The Developer shall

furnish the City with an opinion of counsel in the form as may be reasonably required by or acceptable to Corporation Counsel, the original of which shall be delivered on the Closing Date.

6.05 Searches. The Developer shall provide the City with UCC, tax lien, bankruptcy, judgment and pending litigation searches in the name of the Developer and the Developer's members and such other entities having a direct or indirect ownership interest in the Developer as the City may reasonably require.

6.06 Material Agreements. The Developer shall provide the City with copies of all material agreements affecting the Developer's operation and the Property, including, without limitation, the CHA Development Agreement, the CHA Lease, any property management agreements and the documents evidencing and securing the other Lender Financing.

6.07 Financial Statements. The Developer shall provide the City with copies of audited financial statements for the Developer (or, if the Developer has no such statements, for the Developer's sponsor) for 1996, 1997 and 1998, or such other statements as shall be acceptable to DOH.

6.08 Environmental and Accessibility Audits. The Developer shall provide the City with copies of an environmental and accessibility audits performed with respect to the Property, or any portion thereof.

SECTION 7. AGREEMENTS WITH CONTRACTORS

7.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 7.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit the bids received to DOH for its inspection and written approval. The Developer shall select the General Contractor (or cause the General Contractor to select the subcontractor) who has submitted the lowest responsible bid, unless such selection would prevent the Developer from satisfying the MBE/WBE and City residency requirements contained in this Agreement. The Developer shall

submit copies of the Construction Contract to DOH in accordance with Section 7.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DOH within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DOH and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, the Developer does not solicit bids pursuant to Section 7.01(a) hereof, then the total amount paid to the General Contractor under the General Contract shall be amount equal to the sum of (i) 10% of hard construction costs for the Project under the General Contract for overhead and profit, and (ii) 10% of such hard construction costs for general requirements and conditions for the Project, as determined by DPD. Except as explicitly stated in this paragraph, all other provisions of Section 7.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

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

7.03 Performance and Payment Bonds. Prior to commencement of (a) any portion of the Project, the Developer shall provide DPD with a copy of an irrevocable, direct pay letter of credit, which may name the City as a co-beneficiary in an amount equal to not less than twenty-five percent (25%) of the contract with the General Contractor, and which may be held in an escrow by the First Mortgagee and, if necessary, drawn down by the First Mortgagee to complete rehabilitation of the Project, (b) any portion of the Project which includes work in the public way, if any, the

Developer shall require that the General Contractor be bonded for its performance and payment of such work 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 any such bond described in clause (b).

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

7.05 Other Provisions. In addition to the requirements of this Section 7, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.03 (Change Orders), Section 9.14 (Prevailing Wage), Section 13 (Insurance) and Section 15.01 (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.

7.06 City Resident Employment Requirement. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers"), as applicable, to agree, that during the rehabilitation of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the rehabilitation of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and the other Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both skilled and unskilled labor positions.

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer and the other Employers

failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or has failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicago to the degree stipulated in this Section. Therefore, in such case of non-compliance it is agreed that 1/20 of 1 percent (.05%) of the aggregate hard rehabilitation costs set forth in the Project Budget (as the same shall be evidenced by approved contract value for the actual contracts), shall be surrendered by the Developer and/or the other Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employee to prosecution. Any retainage to cover contract performance that may become due to the Developer and the other Employers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination whether the Developer and the other Employers must surrender damages as provided in this paragraph. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only. In addition, the Developer shall make good faith efforts that all other contracts entered into in connection with the Project for work done, services provided or materials supplied shall be let to persons or entities whose main office and place of business are located within the City, subject to applicable HUD regulations.

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

The Developer shall cause or require the provisions of this Section 7.06 to be included in all construction contracts and subcontracts related to the Project.

7.07 Maintaining Records. In connection with each draw under the construction escrow established with respect to the Project, and until completion of rehabilitation of the Project, the

Developer shall provide to DOH reports in a form satisfactory to DOH evidencing its compliance with Section 7.06.

7.08 Other Contracts. Photocopies of all contracts or subcontracts entered into by the Developer in connection with the Project shall be made available to DOH upon request. The Developer has the right to delete proprietary information from such contracts or subcontracts, provided, however, that upon DOH's request, the Developer shall make available such proprietary information for review by any authorized City representative.

SECTION 8. COMPLETION OF REHABILITATION

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

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

Those covenants specifically described at Sections

9.01(j), 9.02, and 9.12 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.14 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

(c) the right to seek reimbursement of the City Funds from the Developer.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

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

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

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

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

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

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

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

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

(g) the Developer is not aware of any default with respect to any indenture, loan agreement, mortgage, deed, note or any other

agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound which would materially affect its ability to perform hereunder;

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

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

(j) during the term of this Agreement, 145 of the 147 apartments units in the Project shall be rented to households and at rents satisfying the affordability standards described in Recital D; and

(k) prior to the issuance of a Certificate, the Developer shall not (i) enter into any transaction outside the ordinary course of business, (ii) assume or guarantee the obligations of any other person or entity, except in connection with the Lender Financing, (iii) enter into any transaction that would cause a material and detrimental change to the Developer's condition, or (iv) obtain any other Lender Financing.

9.02 Covenant to Redevelop. The Developer shall redevelop the Property substantially in accordance with the Agreement and all Exhibits attached hereto, the TIF Ordinances, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section 9.02 shall run with the land and be binding upon any transferee of the Property.

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

9.04 Use of Available Incremental Revenues. Available Incremental Revenues disbursed to, or on behalf of, the Developer shall be used solely to pay or reimburse the Developer for the TIF-

Funded Interest Costs as provided in this Agreement.

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

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

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

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

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

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

9.11 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with any Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

9.12 Real Estate Provisions.

(a) Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer (but excluding the Lender Financing), the Property or the Project, including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer shall have the right to challenge real estate taxes applicable to the Property provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DOH of the Developer's intent to contest or object to a Governmental Charge and, unless, at DOH's sole option, (i) the Developer shall demonstrate to DOH's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all

or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to 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 during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise 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 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 paid to DOH by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, City, in its sole discretion, may require the Developer to submit to City audited Financial Statements at the Developer's own expense. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.12(b) below.

(b) Real Estate Taxes.

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

(ii) Real Estate Tax Exemption. With respect to the

Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that this Agreement is in effect. The Developer shall have the right to seek a Class 9 classification for the property from the Cook County Assessor's Office.

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

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either City or by any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project to an amount not greater than the Minimum Equalized Assessed Value.

(v) Tax-Exempt Bonds. The limitations imposed by this Section 9.12(b) shall not apply during such time as any bonds, the interest of which is not includible in the "gross income" of the bondholder for federal income tax purposes, are outstanding, if enforcement of such limitations would cause such interest to be includible in such "gross income" for federal income tax purposes.

(c) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.12 are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the date of execution of the

Agreement. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferee from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

9.13 Job Creation. Not less than four (4) Full-Time Equivalent, permanent jobs shall be created by the Developer and/or the tenants occupying the Facilities at the Project prior to the the initial payment under the City Note. The initial payment date under the City Note shall be delayed if and until such creation targets are not satisfied.

9.14 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 9.14. The Developer shall also submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DOH statements as to the wages paid to laborers, workers and mechanics employed at the Project at 25%, 50%, 70% and 100% of construction completion, based on the Project Budget, and upon DOH's request. If such statements reflect a failure to meet the wage payment objectives of this Agreement, the Developer shall also simultaneously submit a plan to remedy such failure.

9.15 Public Benefits. In consideration of the City Funds, the Developer agrees to provide public benefits in the form of preserving the affordability of the 145 apartment units described in Recital D in accordance with the Agreement and the Lender Financing documents.

9.16 Survival of Covenants. All warranties, representations,

covenants and agreements of the Developer contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

10.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder, and covenants that: (a) the Incremental Taxes Fund will be established, (b) the Incremental Taxes will be deposited therein, and (c) such funds shall remain available to pay the City's obligations under Sections 4.02 and 4.04 as the same become due, as long as the TIF-Funded Interest Costs continue to be payable from Available Incremental Revenues under the Act. The City agrees not to amend the Redevelopment Plan so as to materially impair its ability to pay in full any amounts due from the City under this Agreement without the written consent of the Developer and the Lenders.

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 11. EMPLOYMENT OPPORTUNITY

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

- (a) No Employer shall discriminate against any employee or

applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

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

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

(d) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 11, during the course of rehabilitation of the Project, at least the following percentages of the aggregate hard rehabilitation costs for the Project shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-

owned businesses ("WBEs"):

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

Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 11.

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

Upon the disqualification of any MBE or WBE General Contractor

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

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

Prior to the commencement of the Project, the Developer shall be required to meet with the monitoring staff of DOH with regard to the Developer's compliance with its obligations under this Section 11. The General Contractor shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to DOH its plan to achieve its obligations under this Section 11, the sufficiency of which shall be approved by DOH. During the Project, the Developer shall submit the documentation required by this Section 11 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 under this Section 11, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided hereunder, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payments to, or on behalf of, the Developer, or (3) seek any other remedies against the Developer available at law or in equity.

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

SECTION 12. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be rehabilitated, completed and

operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of City or Developer or any of its subsidiaries under any Environmental Laws relating to the Property. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

SECTION 13. INSURANCE

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

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

(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

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

(b) Construction: Prior to commencing rehabilitation work for any portion of the Project, the Developer shall procure and maintain, or cause to be maintained, the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily

injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included.

(iii) Automobile Liability Insurance

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

(iv) All Risk Builders Risk Insurance

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

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000.00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(c) Other Provisions

Upon DOH's request, the Developer shall provide DOH

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

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

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

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

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

SECTION 14. INDEMNIFICATION

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

SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT

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

at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

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

SECTION 16. DEFAULT AND REMEDIES

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

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

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

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

(d) except as relates to the Lender Financing or 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 consented to by the City, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

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

(h) prior to the issuance of a Certificate, a change in the Developer's general partner, addition of a general partner or sale or other transfer of all or a controlling interest (whether voting or economic) in the ownership of the general partner or the Developer without DOH's prior written consent; or

(i) prior to the issuance of a Certificate, a change in the ownership of the Project without DOH's prior written consent

16.02 Remedies. (a) Subject to the provisions of paragraph (b) of this section, upon the occurrence of an Event of Default during the Term of this Agreement, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein,

or may be awarded damages for failure of performance, or both, provided, however, that the City shall not obtain a lien against the Property. Any monetary remedies, including but not limited to judgments, are payable from distributable Surplus Cash only.

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

16.03 Curative Period. In the event the Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer shall have failed to perform such covenant within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not reasonably capable of being cured within such 30-day period, if the Developer has commenced to cure the alleged default within such 30-day period and thereafter continues diligently to effect such cure, then said 30-day period shall be extended to 60 days upon written request from the Developer to the City delivered during such 30-day period, and upon further written request from the Developer to the City delivered during such 60-day period, said 60-day period shall be extended to 90 days; provided, further, that such default is cured in any event within 120 days of the date of the Developer's receipt of a written default notice.

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

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

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

SECTION 17. NOTICE

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

If to City: City of Chicago
 Department of Housing
 318 South Michigan Avenue
 Chicago, IL 60604
 Attention: Commissioner
 cc: Manager of Special Finance

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

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

If to Developer: Community Housing Partners V L.P.
36 S. Wabash Avenue, Suite 1310
Chicago, Illinois 60603

and: U.S. Department of Housing and Urban
Development
Chicago Regional Office, Region V
77 West Jackson Boulevard
Chicago, Illinois 60604
Attn: Director of Multifamily Housing
HUD Project No: 071-35647

and: Chicago Equity Fund 1998 Limited Partnership
c/o Chicago Equity Fund, Inc.
One East Superior Street
Suite 604
Chicago, Illinois 60611
Attn: William W. Higginson

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City and the Developer.

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

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

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

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

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

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

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

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

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

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

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

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City or DOH, or any matter is to be to the City's or DOH's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DOH in writing and in its reasonable discretion thereof. The Commissioner of DOH 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.

18.14 Assignment. After the issuance of a Certificate, the term of the Agreement, the Developer may assign this Agreement, with the City's prior written consent, to an entity which acquires the Property pursuant to paragraph R-9 of the HUD-Required Provisions Rider attached hereto or to the Lenders provided that such assignee continues to operate the Property and the Project for the same purpose for which it is currently used and operated. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all terms of this Agreement for the Term of the Agreement, shall execute an

affidavit to the effect that it is in compliance with all applicable City ordinances and is otherwise qualified to do business with the City and shall provide a copy of any applicable purchase contract and assignment agreement.

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

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

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

18.18. No Business Relationship with City Elected Officials
Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any


discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to any of the Loan Documents, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Redevelopment Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Redevelopment Agreement or the transactions contemplated thereby.

[SIGNATURES APPEAR ON NEXT PAGE]

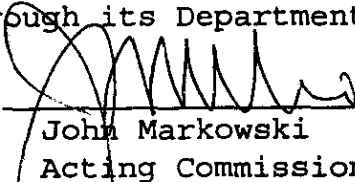
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

COMMUNITY HOUSING PARTNERS V L.P., an Illinois limited partnership

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

By: 
Name: Anthony J. Fusco
Title: President

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

By: 
John Markowski
Acting Commissioner

HUD-REQUIRED PROVISIONS RIDER

THIS RIDER is attached to and made a part of that certain Redevelopment Agreement (the "Document"), dated as of June 1, 1999, entered into by Community Housing Partners V L.P., an Illinois limited partnership, its successors and assigns (the "Owner") and the City of Chicago, an Illinois municipal corporation, its successors or assigns (the "Subordinate Lender") relating to the property commonly known as the Archer Courts Apartments, 2220 and 2242 S. Princeton Avenue, Chicago, Illinois. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; the term "FHA" shall mean the Federal Housing Administration, an administrative agency within HUD; the term "Project" shall have the same meaning as in the HUD Regulatory Agreement described below; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured Mortgage Note (as defined below) for the Project (Project No. 071-35647):

- A. Commitment for Insurance of Advance, dated March 22, 1999, as amended, issued by the Secretary of HUD and assigned to TRI Capital Corporation, a California corporation ("Mortgagee");
- B. Building Loan Agreement, dated June 1, 1999, between the Owner and the Mortgagee;
- C. Mortgage Note, dated June 1, 1999, made by the Owner payable to the order of Mortgagee in the principal amount of \$4,541,800;
- D. Mortgage, dated June 1, 1999, made by the Owner in favor of the Mortgagee and encumbering the Project as security for said mortgage loan (the "Mortgage");
- E. Security Agreement (Chattel Mortgage), dated June 1, 1999, between the Owner, as debtor, and Mortgagee and/or the Secretary of HUD, as their interests may appear, as secured party; and

G. Regulatory Agreement for Multifamily Housing Projects, dated June 1, 1999, between the Owner and HUD (the "Regulatory Agreement").

R-1 Notwithstanding anything in the Document to the contrary, the provisions of the Document are subordinate to all applicable federal statutes, HUD mortgage insurance regulations and related HUD directives and administrative requirements, except those HUD mortgage insurance regulations, related HUD directives and administrative requirements which have been waived in writing by HUD with respect to the Project. The provisions of the Document are also expressly subordinate to the HUD/FHA Loan Documents. In the event of any conflict between the Document and the provisions of any applicable federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements, or HUD/FHA Loan Documents, the federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements and HUD/FHA Loan Documents shall control, unless waived in writing by HUD with respect to the Project.

R-2 Failure on the part of the Owner to comply with the covenants contained in the Document shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Project.

R-3 Compliance by the Owner with the provisions and covenants of the Document and enforcement of the provisions or covenants contained in the Document, including, but not limited to, any indemnification provisions or covenants, will not and shall not result in any claim or lien against the Project, any asset of the Project, the proceeds of the Mortgage, any reserve, or deposit required by HUD in connection with the Mortgage transaction or the rents or other income from the Project, other than distributable "Surplus Cash" (as that term is defined in the HUD Regulatory Agreement).

R-4 No amendment to the Document made after the date of the

HUD initial endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment made after the aforesaid date to any HUD/FHA Loan Document shall be binding upon the Subordinate Lender unless the Subordinate Lender has consented thereto in writing.

R-5 Unless waived in writing by HUD with respect to the Project, any action prohibited or required by HUD pursuant to applicable federal law, HUD regulations, HUD directives and administrative requirements or the HUD/FHA Loan Documents, shall supersede any conflicting provision of the Document, and the performance or failure to perform of the Owner in accordance with such laws, regulations, directives, administrative requirements or HUD/FHA Loan Documents shall not constitute an event of default under the Document.

R-6 So long as HUD is the insurer or holder of any mortgage on the Project or any indebtedness secured by a mortgage on the Project, the Owner shall not and is not permitted to pay any amount required to be paid under the provisions of the Document except from distributable Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement unless otherwise specifically permitted in writing by HUD.

R-7 In the event of the appointment by any court of any person, other than HUD or the Mortgagee, as a receiver, as a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Document (if any), with or without court action, no rents, revenue or other income of the Project collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Document, except from distributable Surplus Cash in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing enforcement shall operate the Project in accordance with all

provisions of the HUD/FHA Loan Documents.

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

Department of Housing and Urban Development
77 West Jackson Blvd.
Chicago, Illinois 60604
Attention: Director of Multi-Family Housing
Project No. 071-35647

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

R-9 Notwithstanding anything in the Document to the contrary, and expressly excepting residential leases and subleases which conform to the HUD Regulatory Agreement and HUD directives and policies, the Owner and its successors and assigns may sell, convey, transfer, lease, sublease or encumber the Project or any part thereof, provided it obtains the prior written consent of HUD. Notwithstanding anything in the Document to the contrary, the Owner may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served on the Subordinate Lender. Within 90 days after such service, the Subordinate Lender shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, on HUD, the Mortgagee and the Owner. No such transfer shall occur or be effective until the Subordinate Lender's requirements shall have been satisfied. In the event the Subordinate Lender fails to serve such notice on HUD, the Mortgagee and the Owner within said time, then any consent by HUD to such transfer shall be deemed to be the Subordinate Lender's prior written consent to such transfer and consummation of such transfer shall not be a default under the Document.

R-10 The covenants contained in the Document shall automatically terminate in the event of a deed in lieu of foreclosure, of any mortgage insured or held by HUD

with respect to the Project, or any portion thereof. Upon such termination, the Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.

R-11

Notwithstanding anything in the Document to the contrary, the provisions of this HUD Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

Executed as of the date set forth above.

COMMUNITY HOUSING PARTNERS V L.P., an
Illinois limited partnership

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

Name: _____

Title: _____



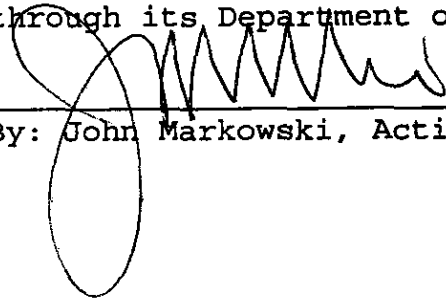
Anthony J. Fisco ✓

President

The foregoing HUD-Required Provisions Rider is hereby
acknowledged and consented to by the undersigned as of the
1st of June, 1999.

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

By: John Markowski, Acting Commissioner



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Margaret A. Grassano, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Anthony J. Fusco personally known to me to be the President of Chicago Community Development Corporation, an Illinois corporation (the "Corporation"), in its capacity as the general partner of Community Housing Partners V L.P., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 1st day of June, 1999 in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to them by the Board of Directors of the Corporation as his free and voluntary act and as the free and voluntary act of the Corporation, as general partner of Community Housing Partners V L.P., for the uses and purposes therein set forth.

Margaret A Grassano
Notary Public

My commission expires 5-4-2002
(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Marilyn Graham, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that John Markowski, personally known to me to be the Acting Commissioner of the Department of Housing 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 18th day of June, 1999 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.



Marilyn Graham
Notary Public

My commission expires _____

(SEAL)

EXHIBIT A

APPENDIX 1: BOUNDARY AND LEGAL DESCRIPTION

ARCHER COURTS T.I.F. DISTRICT

THAT PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, ALL IN TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF SOUTH PRINCETON AVENUE, 156.00 FEET NORTHERLY OF THE NORTH LINE OF 23RD STREET AS MEASURED ALONG THE WEST LINE OF SOUTH PRINCETON AVENUE; THENCE WEST 147.20 FEET, AT RIGHT ANGLES TO THE EAST LINE OF SOUTH PRINCETON AVENUE; THENCE SOUTHWESTERLY TO A POINT ON SAID NORTH LINE OF 23RD STREET, SAID POINT BEING 348.66 FEET WESTERLY OF SAID WEST LINE OF SOUTH PRINCETON AVENUE AS MEASURED ALONG SAID NORTH LINE OF 23RD STREET; THENCE SOUTHERLY 66.0 FEET, AT RIGHT ANGLES TO SAID NORTH LINE OF 23RD STREET, TO THE SOUTH LINE OF 23RD STREET; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEST LINE OF STEWART AVENUE; THENCE NORTHERLY ALONG THE WEST LINE OF SAID STEWART AVENUE TO THE SOUTHEASTERLY LINE OF ARCHER AVENUE; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF ARCHER AVENUE TO THE EAST LINE OF STEWART AVENUE; THENCE NORTHERLY ALONG THE NORTHERLY EXTENSION OF SAID EAST LINE OF STEWART AVENUE, TO THE NORTHWESTERLY LINE OF SAID ARCHER AVENUE; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF ARCHER AVENUE TO THE MOST EASTERLY SOUTHEAST CORNER OF LOT 4 IN JOHN RABER'S SUBDIVISION IN SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE AND ITS NORTHWESTERLY EXTENSION TO THE NORTHWESTERLY LINE OF AN ALLEY (SAID NORTHWESTERLY LINE BEING ALSO THE SOUTHEASTERLY LINE OF LOT 248 IN WALLER'S SUBDIVISION IN SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28); THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF ALLEY TO THE SOUTH LINE OF CERMAK ROAD; THENCE NORTHERLY, AT RIGHT ANGLES TO SAID SOUTH LINE OF CERMAK ROAD, TO THE NORTH LINE OF CERMAK ROAD AS WIDENED (SAID NORTH LINE BEING 14.00 FEET NORTH OF THE SOUTH LINE OF BLOCK 43 IN CANAL TRUSTEE'S NEW SUBDIVISION IN THE WEST HALF OF THE SOUTHEAST QUARTER OF AFORESAID SECTION 21); THENCE EASTERLY ALONG SAID NORTH LINE OF CERMAK ROAD AND ITS EASTERLY EXTENSION TO THE NORTHERLY EXTENSION OF SAID EAST LINE OF SOUTH PRINCETON AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE OF SOUTH PRINCETON AVENUE AND ITS NORTHERLY EXTENSION; TO THE POINT OF BEGINNING, ALL IN THE CITY OF CHICAGO COOK COUNTY, ILLINOIS.

CONTAINING 8 ACRES, MORE OR LESS.

EXHIBIT B

LEGAL DESCRIPTION

PARCEL 1:

The leasehold estate created by the instrument hereinafter referred to as the Lease, executed by the Chicago Housing Authority, a body corporate and political organization organized and existing pursuant to the laws of the State of Illinois, as Landlord, and Community Housing Partners V L.P., an Illinois limited partnership, as Tenant, dated June 1, 1999, which Lease commences on June 1, 1999 and terminates June 30, 2098, and recorded in the office of the Recorder of Deeds in Cook County, Illinois, and which Lease demises the land hereinafter described (except the buildings and improvements thereon), to wit:

A TRACT OF LAND LOCATED IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF SOUTH PRINCETON AVENUE, BEING ITS INTERSECTION WITH THE SOUTH LINE OF WEST CERMAK ROAD, AS WIDENED; THENCE SOUTH 00°16'19" WEST ALONG SAID WEST LINE OF SOUTH PRINCETON AVENUE, 432.65 FEET TO A POINT 156 FEET NORTH OF THE INTERSECTION OF THE WEST LINE OF SOUTH PRINCETON AVENUE AND THE NORTH LINE OF WEST 23RD STREET; THENCE NORTH 89°45'00" WEST, 97.20 FEET; THENCE SOUTH 58°10'39" WEST, 296.82 FEET TO A POINT ON THE NORTH LINE OF SAID WEST 23RD STREET, 348.66 FEET WEST OF THE INTERSECTION OF THE WEST LINE OF SOUTH PRINCETON AND THE NORTH LINE OF WEST 23RD STREET; THENCE SOUTH 89°59'09" WEST, ALONG SAID NORTH LINE 37.67 FEET; THENCE NORTH 00°01'43" WEST, 97.98 FEET; THENCE NORTH 58°04'19" EAST, 81.33 FEET; THENCE NORTH 00°01'17" EAST, 269.69 FEET TO THE SOUTH LINE OF SOUTH ARCHER AVENUE; THENCE NORTH 58°07'27" EAST, ALONG SAID SOUTH LINE, 337.73 FEET TO THE SOUTH LINE OF WEST CERMAK ROAD AS WIDENED; THENCE SOUTH 89°57'00" EAST, ALONG SAID SOUTH LINE, 33.25 FEET TO THE POINT OF BEGINNING.

Basis of bearing the West line of South Princeton Avenue assumed bearing of South 00°16'19" West

PARCEL 2:

All buildings and improvements located on the land described in Parcel 1, now existing or hereinafter erected.

PARCEL 3:

An easement for utilities for the benefit of Parcels 1 and 2, created by Grant of Utility Easement between the Chicago Housing Authority as Grantor, and Community Housing Partners V L.P., an Illinois limited partnership, as Grantee, dated June 1, 1999 and recorded in the office of the Recorder of Deeds in Cook County, Illinois.

Property Index No.: 17-28-201-012-0000
17-28-201-013-0000
17-28-201-014-0000
17-28-208-021-0000
17-28-210-027-8001
17-28-210-028-8001

Property Address: 2220-22 and 2240-42 S. Princeton, Chicago, IL

EXHIBIT C

REDEVELOPMENT PLAN

[OMITTED FOR RECORDING PURPOSES]

EXHIBIT D
FINANCING FOR THE PROJECT

A. LENDER FINANCING:

1. City of Chicago Multi-Family Housing Revenue Bonds, Series 1999A (HUD-Insured - Archer Courts Project) in an aggregate principal amount not to exceed \$4,600,000. The Series 1999A bond proceeds will be used to purchase one or more GNMA securities issued by the First Mortgagee, which will make a loan in an amount not to exceed \$4,600,000, which loan will be insured by the Federal Housing Administration under Section 221(d)(4) of the National Housing Act and secured by a first mortgage on the Project.

2. City of Chicago Multi-Family Housing Revenue Bonds, Series 1999B (Archer Courts Project) in an aggregate principal amount not to exceed \$1,600,000. The repayment of the Series 1999B bonds will be assured by a letter of credit issued by LaSalle National Bank in equal amount.

3. City of Chicago Community Development Block Grant loan in the amount of approximately \$2,507,911 (the "CDBG Loan"). The CDBG Loan will be secured by a second mortgage on the Project.

4. Amount: Loan not to exceed \$650,000
Source: Chicago Housing Authority, or a financial institution acceptable to the Commissioner
Interest: Not to exceed the applicable federal rate within the meaning of Section 42(i)(2)(D) of the Internal Revenue Code of 1986
Term: Not to exceed 40 years
Security: Third mortgage

5. A loan to the limited partner of Community Housing Partners V L.P. made by LaSalle National Bank in an amount not to exceed \$2,400,000. The loan will be secured by investor notes pledged by the limited partner.

B. OTHER FUNDS:

Approximately \$3,392,658 plus interest and letter of credit and other costs of the Bridge Loan referred to in A.2 above derived from syndication of approximately \$450,000 of Low-Income Housing Tax Credits, and which includes an amount equal to the proceeds of the Bridge Loan. The general partner of the Developer will

contribute \$100.

EXHIBIT E
AVAILABLE INCREMENTAL REVENUES

<u>Year</u>	<u>Available Incremental Revenue</u>
1999	\$ 0
2000	\$ 0
2001	\$ 60,925
2002	\$121,849
2003	\$121,849
2004	\$121,849
2005	\$121,849
2006	\$121,849
2007	\$121,849
2008	\$121,849
2009	\$121,849
2010	\$121,849
2011	\$121,849
2012	\$121,849
2013	\$121,849
2014	\$121,849
2015	\$121,849
2016	\$121,849
2017	\$121,849
2018	\$121,849
2019	\$121,849
2020	\$121,849
2021	\$121,849
2022	\$121,849*

* This payment may be made only to the extent permitted under the Act. All payments are subject to the Maximum Amount limitation in Section 4.04.

EXHIBIT F

PROJECT BUDGET

[OMITTED FOR RECORDING PURPOSES]

EXHIBIT G

LIST OF PLANS AND SPECIFICATIONS

[OMITTED FOR RECORDING PURPOSES]

EXHIBIT H-1

ARCHITECT'S OPENING CERTIFICATE

Date: _____

The undersigned, _____
("Architect"), hereby certifies to the City of Chicago, Illinois
("City") as follows (any term which is capitalized but not
specifically defined herein shall have the same meaning as set
forth in that certain Redevelopment Agreement ("Agreement") dated
_____, 199_, by and between the City and Community Housing
Partners V L.P. ("Developer")):

1. Architect is an architect licensed and in good standing
in the State of Illinois.

2. Architect has prepared the Plans and Specifications, to
the best of the Architect's professional knowledge, the same are,
and the Project will be when completed in accordance therewith, in
full compliance with all applicable building, zoning and other
laws, statutes, codes, regulations and ordinances (collectively,
"Laws"), including, without limitation, all applicable pollution
control and environmental protection regulations.

3. The Project, when completed in accordance with the
Plans and Specifications, will not encroach upon any recorded or
visible easement in effect with respect to the Property.

4. The Plans and Specifications are complete in all
respects and were prepared in accordance with accepted
architectural practices, containing all detail requisite for the
Project which, when built and equipped in accordance therewith,
shall be ready for occupancy.

5. In the aggregate, the construction contract and the
existing subcontracts contain all detail necessary to provide for
all labor, material and equipment required by the Plans and
Specifications.

6. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate or, if not so obtained, the Architect has no reason to believe same will not be obtained as and when so required. Such permits and other necessary governmental approvals are described in Exhibit 1 attached to this Certificate.

7. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.

Adequate ingress and egress to the Project over public streets and rights of way will be available during the period of construction of the Project and thereafter.

8. All existing foundation and subsurface work conforms to the Plans and Specifications and all portions of the Project consisting of the subsurface work has been completed.

9. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

10. The Architect has executed and delivered to the City the Statement of Compliance in the form attached hereto as Exhibit 2.

ARCHITECT:

By: _____

Its: _____

EXHIBIT H-2

ARCHITECT'S COMPLETION CERTIFICATE

Date: _____

The undersigned, _____
("Architect"), hereby certifies to the City of Chicago, Illinois
("City") as follows (any term which is capitalized but not
specifically defined herein shall have the same meaning as set
forth in that certain Redevelopment Agreement ("Agreement") dated
_____, 199_, by and between the City and Hearts United Limited
Partnership ("Developer")):

1. Architect is an architect licensed and in good standing
in the State of Illinois.

2. The construction of the Project has been "substantially
completed" as of the date of this Certificate in accordance with
the approved Plans and Specifications. For purposes hereof, the
Project being "substantially completed" means that the Project is
usable in its present condition for its intended purpose. The
Architect's determination of the total cost to complete the
construction of such portion of the Project as may be unfinished is
\$_____.

3. Neither the Property nor the construction of the
Project violates or will violate any existing applicable zoning,
building, environmental protection or other statutes, ordinances,
laws or regulations (collectively, "Laws").

4. All permits and other governmental approvals necessary
for the construction of the Project and the intended occupancy, use
and operation thereof have been obtained as of the date of this
Certificate. Such permits and other necessary governmental
approvals are described in Exhibit 1 attached to this Certificate.

5. To our knowledge, there are no petitions, actions or
proceedings pending or threatened to revoke, rescind, alter or
declare invalid (in any manner adverse to the Project), any Laws,
permits or other necessary governmental approvals relating to the
Property or the Project.

6. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

ARCHITECT:

By: _____

Its: _____

EXHIBIT I

REQUISITION FORM FOR TIF-FUNDED INTEREST COSTS

The undersigned, _____ [Name] _____, _____ [Title] _____ of Chicago Community Development Corporation, in its capacity as the general partner of Community Housing Partners V L.P. (the "Developer") does hereby certify to the City of Chicago, Illinois (the "City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated _____, 1999, by and between the City and the Developer:

1. That the Developer has incurred, accrued and/or paid the following parties for the listed items, each of which constitutes interest related to the construction of the Project:

- A. First Mortgage
\$ _____
- B. Bridge Loan
\$ _____
- C. CDBG Loan
\$ _____
- D. CHA Loan
\$ _____

2. That none of the items listed in paragraph 1, above, has been the subject of any other requisition for payment;

3. That including the payment requested hereunder, the payments from the City during this year for interest costs do not exceed 30 percent of the interest costs incurred by the Developer with regard to Project during this year [, plus accruals];

4. That including the payment requested hereunder, the total of interest payments to date from the City does not exceed 30 percent of the total Project Costs actually incurred by the Developer;

5. That the remaining balance of the TIF-Funded Interest

Costs which are eligible for reimbursement under the Redevelopment Agreement taking this requisition into account are as follows:

Maximum Amount	Current Annual Amount <u>Accrued</u>	Accrued and Unpaid Prior <u>Requisitions¹</u>	Balance Accrued and Unpaid ²	Amount Paid <u>To Date³</u>
\$	_____	_____	_____	_____

6. That attached as Exhibit 1 are true and correct copies of monthly invoices for the HUD Insured Loan sent to the Developer by the First Mortgagee;

7. That attached as Exhibit 2 is a true and correct statement of interest accrued to date on the FHA-Insured Loan, the Bridge Loan, the CDBG Loan and the CHA Loan based on the Developer's most recent Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my signature this _____ day of _____, _____.

[DEVELOPER SIGNATURE BLOCK]

By: _____
Its: _____

¹ Represents the sum of the following unpaid amounts for the specified years: \$_____ for 200_; \$_____ for 200__.

² Sum of columns 2 and 3.

³ After giving effect to the payment covered by this Requisition Form.

EXHIBIT J

Table 6
Archer Courts TIF District
Interest Calculation for Archer Courts Renovation

Assumptions			
First Mortgage (FHA)			
Construction Period Interest			
Year 1	\$16,111		
Year 2	\$217,629		
Total	\$233,740		
Portion	Amount	Interest Rate	Term (Years)
40 Yr. Portion	\$3,711,200	5.960%	40
23 Yr. Portion	\$830,600	5.960%	23
Total	\$4,541,800		
Amortized semi-annually, interest and principal due			
Bridge Loan			
Amount	Interest Rate	Term (Years)	
\$1,010,000	3.500%	3	
Non-amortized, interest only due, simple interest			
Second Mortgage			
Loan	Amount	Interest Rate	
DOH CDBG Loan	\$2,507,911	2.000%	
Non-Amortized, interest accrued, interest compounded annually			
Third Mortgage			
Loan	Amount	Interest Rate	
CITA Mortgage	\$650,000	5.300%	
Non-Amortized, interest accrued, interest compounded annually			

Yr of TIF	Date	Annual Interest Due/Accrued per Mortgage					Total All Loans	30% of Interest All Loans
		First Mortgage	Bridge Loan	DOH CDBG Loan	CHA Mortgage	Total		
1	1999	\$ 16,111	\$19,639	\$ 2,974	\$ 34,450	\$ 73,174	\$ 21,952	
2	2000	\$ 217,629	\$35,350	\$ 39,607	\$ 36,276	\$ 328,862	\$ 98,659	
3	2001	\$ 270,084	\$35,350	\$ 51,010	\$ 38,198	\$ 394,644	\$ 118,393	
4	2002	\$ 267,590	\$15,711	\$ 52,030	\$ 40,223	\$ 375,554	\$ 112,666	
5	2003	\$ 264,944	\$0	\$ 53,071	\$ 42,355	\$ 360,370	\$ 108,111	
6	2004	\$ 262,138	\$0	\$ 54,132	\$ 44,600	\$ 360,870	\$ 108,261	
7	2005	\$ 259,162	\$0	\$ 55,215	\$ 46,963	\$ 361,340	\$ 108,402	
8	2006	\$ 256,006	\$0	\$ 56,319	\$ 49,452	\$ 361,777	\$ 108,533	
9	2007	\$ 252,659	\$0	\$ 57,445	\$ 52,073	\$ 362,178	\$ 108,653	
10	2008	\$ 249,110	\$0	\$ 58,594	\$ 54,835	\$ 362,537	\$ 108,761	
11	2009	\$ 245,346	\$0	\$ 59,766	\$ 57,739	\$ 362,851	\$ 108,855	
12	2010	\$ 241,354	\$0	\$ 60,951	\$ 60,800	\$ 363,115	\$ 108,935	
13	2011	\$ 237,121	\$0	\$ 62,181	\$ 64,022	\$ 363,324	\$ 108,997	
14	2012	\$ 232,632	\$0	\$ 63,424	\$ 67,415	\$ 363,471	\$ 109,041	
15	2013	\$ 227,871	\$0	\$ 64,693	\$ 70,988	\$ 363,552	\$ 109,066	
16	2014	\$ 222,822	\$0	\$ 65,987	\$ 74,751	\$ 363,559	\$ 109,068	
17	2015	\$ 217,468	\$0	\$ 67,306	\$ 78,712	\$ 363,487	\$ 109,046	
18	2016	\$ 211,790	\$0	\$ 68,653	\$ 82,884	\$ 363,327	\$ 108,998	
19	2017	\$ 205,768	\$0	\$ 70,026	\$ 87,277	\$ 363,071	\$ 108,921	
20	2018	\$ 199,383	\$0	\$ 71,426	\$ 91,903	\$ 362,712	\$ 108,813	
21	2019	\$ 192,611	\$0	\$ 72,855	\$ 96,774	\$ 362,239	\$ 108,672	
22	2020	\$ 185,429	\$0	\$ 74,312	\$ 101,905	\$ 361,644	\$ 108,493	
23	2021	\$ 177,813	\$0	\$ 75,798	\$ 107,303	\$ 360,915	\$ 108,274	
Total		\$ 5,112,843	\$86,411	\$1,357,784	\$1,481,895	\$8,058,572	\$2,417,572	

ARCHER COURTS APARTMENTS PROJECT
(ARCHER COURTS TIF)

EXHIBIT K

YEAR	MINIMUM ASSESSED VALUE	ESTIMATED MULTIPLIER	MINIMUM EQUALIZED ASS. VALUE	BASE EAV	TAX RATE	TAXES PAID	INCREMENTAL TAXES
1999	\$0	2.1517	\$0	\$0	8.843%	\$0	\$0
2000	\$320,192	2.1517	\$688,957	\$0	8.843%	\$60,925	\$0
2001	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$60,925
2002	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2003	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2004	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2005	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2006	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2007	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2008	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2009	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2010	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2011	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2012	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2013	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2014	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2015	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2016	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2017	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2018	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2019	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2020	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849
2021	\$640,384	2.1517	\$1,377,915	\$0	8.843%	\$121,849	\$121,849