

Contract Summary Sheet

Contract (PO) Number: 8344

Specification Number: 34128

Name of Contractor: SENIOR LIFESTYLE CORPORATION

City Department: DEPARTMENT OF HOUSING

Title of Contract: Autumn Green at Midway Village

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

\$1,630,720 00

PO Start Date: 11/23/04

PO End Date: 11/23/07

Brief Description of Work: Autumn Green at Midway Village

Procurement Services Contact Person: THOMAS DZIEDZIC

Vendor Number: 50069282

Submission Date:

MAR - 8 2005

DEVELOPMENT MANAGEMENT AGREEMENT

THIS DEVELOPMENT MANAGEMENT AGREEMENT (“**Agreement**”) is made and entered into this 23 day of November, 2004, by and between Senior Lifestyle Corporation, an Illinois corporation (“**Developer**”), and the City of Chicago, a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois (the “**City**”).

WITNESSETH:

WHEREAS, pursuant to an ordinance passed by the City Council of the City, the City issued a Request for Qualifications (“**Request**”) to select developers to design, build, market and sell single family and multi-unit housing on City-owned property under the City’s HomeStart Program (“**Program**”);

WHEREAS, the City has available for the Program certain real estate located at the southeast corner of Cicero and 67th Street, and commonly known as 6710-6810 South Cicero Avenue, which the City desires to make available for the Program (the “**Subject Property**”);

WHEREAS, the Commissioner of the City’s Department of Housing (the “**Commissioner**”) initially qualified Developer for the Program and the Subject Property;

WHEREAS, Developer has undertaken and is further prepared to undertake, on behalf of the City as an independent contractor, certain planning, design, management, coordination, construction and sales services with respect to the development of such housing;

WHEREAS, Developer has submitted to the Commissioner for development of the Subject Property (i) a conceptual design and land plan including floor plans and elevations, (ii) a conceptual budget and cash flow projections, (iii) a preliminary marketing plan, (iv) a preliminary schedule, and (v) comparative sales data (collectively, “**Preliminary Design Documents**”),

WHEREAS, Harris Trust and Savings Bank (the “**Bank**”) has issued a letter to the City with respect to Developer and the Subject Property (“**Bank Letter**”),

WHEREAS, based upon the Bank Letter, the City has ordered title searches and surveys for the Subject Property (“**Title & Survey**”), and Developer has caused to be performed an environmental site assessment(s) of the Subject Property (“**Environmental Site Assessment**”);

WHEREAS, pursuant to a Right of Entry Agreement, the City has granted to Developer access and a right of entry to the Subject Property to permit Developer to conduct such testing and site evaluation as Developer deemed necessary or appropriate (“**Site Testing**”). [Title & Survey, Environmental Site Assessment and Testing are hereinafter collectively referred to as the “**Initial Due Diligence Review**”],

WHEREAS, based upon the Preliminary Design Documents and the Initial Due Diligence Review, Developer has prepared or caused to be prepared (i) “**Permit Ready Working Drawings**” (as hereinafter defined) which are referenced on Exhibit 1-A for each

“Multi-Unit Building” (as herein defined) that Developer proposes to develop pursuant to this Agreement; (ii) a final **“Marketing Plan”** (as hereinafter defined) for the Development which is referenced on Exhibit 1-B; (iii) a preliminary schedule for the Development which is referenced on Exhibit 1-C (**“Development Schedule”**); (iv) a **“Marketing & General Cost Budget”** (as hereinafter defined) which is referenced on Exhibit 1-D for the **“Development”** (as hereinafter defined); (v) a maximum cost schedule for each **“Phase”** (as hereinafter defined) of the Development which is referenced on Exhibit 1-E (**“Maximum Cost Schedule”**); (vi) an overall budget which is referenced on Exhibit 1-F for the entire cost of the Development, including a final pro forma and cash flow analysis, and all costs of design, marketing and construction (including sub-trade bids as requested by the City) of all **“Multi-Unit Homes”** (as hereinafter defined) covered by this Agreement, inclusive of those costs set forth in the Marketing & General Cost Budget (**“General Development Budget”**); and a **“General Site Preparation Budget”** which is referenced on Exhibit 1-G for the **“Site Preparation Project”** (as hereinafter defined). The Permit Ready Working Drawings, the Marketing Plan, the Development Schedule, the Marketing & General Cost Budget, the Maximum Cost Schedule, the General Development Budget and the General Site Preparation Budget are hereinafter collectively referred to as the **“Marketing Design Documents”**;

WHEREAS, Developer has represented to the City and the Bank that the Marketing Design Documents satisfy the Program requirements and all applicable laws, ordinance, rules and regulations, the Development and the Subject Project;

WHEREAS, Developer has represented to the City and the Bank that the Permit Ready Working Drawings are complete for construction of the Multi-Unit Homes in the Development and thus constitute the **“Construction Documents”** (as hereinafter defined) for the Development,

WHEREAS, the City now desires to retain Developer to provide certain services, and Developer is willing to provide certain services, subject to the terms and conditions set forth in this Agreement;

WHEREAS, the City Council of the City (the **“City Council”**) has passed an ordinance approving Developer and the Development under the Program (the **“Development Ordinance”**), pursuant to which the City has agreed to make available to Developer, subject to the terms of this Agreement and any **“Project Design/Build Authorization”** (as hereinafter defined), certain of the proceeds (**“HomeStart Proceeds”**) of the sale of the City’s Adjustable Rate Demand Revenue Bonds, Series 2000A (HomeStart Program) issued by the City on May 17, 2000, in the aggregate principal amount of \$100,000,000 (**“HomeStart Bonds”**);

WHEREAS, the City has or may have available to it certain general obligation bond proceeds (**“GO Bond Proceeds”**) which, subject to the terms of this Agreement and any applicable Project Design/Build Authorization, the City may make available to pay for certain services to be performed by Developer pursuant to this Agreement and certain costs incurred by Developer in connection therewith,

WHEREAS, the HomeStart Bonds will mature on June 1, 2005 (“**HomeStart Expiration Date**”), and the City has expressed its intention not to extend the HomeStart Expiration Date,

WHEREAS, both prior to and after the HomeStart Expiration Date, the City will be under no obligation to make HomeStart Proceeds, GO Bond Proceeds or any other funds available for the Development, except as may be otherwise expressly provided in this Agreement,

WHEREAS, the Bank Letter contemplates the City entering into a conventional financing arrangement to fund the Development after the HomeStart Expiration Date (“**Conventional Financing**”), but the City is under no obligation to seek, pursue or obtain the Conventional Financing, and the City, in its sole and absolute discretion, shall determine whether it intends to seek, pursue or obtain the Conventional Financing,

WHEREAS, under the Bank Letter, the “Bank Group” (as defined therein) will be under no obligation to enter into the Conventional Financing with the City unless (i) an ordinance is introduced in the City Council by December 31, 2004, recommending the City’s acceptance of the Conventional Financing, (ii) the City Council passes an ordinance no later than February 28, 2005, approving the Conventional Financing, and (iii) the documentation necessary to close on the Conventional Financing is approved and executed by the City and the Bank Group on or before March 31, 2005;

WHEREAS, the City is under no obligation to satisfy any of the foregoing requirements or to otherwise obtain the Conventional Financing upon the terms set forth in the Bank Letter or otherwise,

WHEREAS, if, however, the City, in its sole and absolute discretion, elects to satisfy the foregoing requirements, Developer may be required to enter into amendments to this Agreement and any Project Design/Build Authorizations theretofore entered into by Developer and the City with the approval of the Bank, which may be required by the City or the Bank to satisfy or otherwise accommodate the Conventional Financing, provided, however, that Developer shall not be required to enter into any amendments which materially adversely change the liability, profit or other material rights of Developer under this Agreement;

WHEREAS, if Developer fails to enter into any required amendments for any reason whatsoever, the City may elect to terminate this Agreement without liability on the part of the City, financial or otherwise, to Developer,

WHEREAS, Developer understands, acknowledges and agrees that the City, without limiting its rights of termination set forth elsewhere in this Agreement, in its sole and absolute discretion, may elect to terminate this Agreement, without liability on the part of the City, financial or otherwise, to Developer, (i) at any time after the date hereof as to any “Projects” (as hereinafter defined) for which “Project Design/Build Authorizations” (as hereinafter defined) have not been executed by the City with the approval of the Bank on or before December 6, 2004, and (ii) on the HomeStart Expiration Date with respect to any Projects for which Project

Design/Build Authorizations have been executed by the City with the approval of the Bank on or before December 6, 2004.

INITIALS:

Developer

WHEREAS, the Development Schedule calls for the marketing, construction and sale of a portion of the Multi-Unit Homes in the Development after the HomeStart Expiration Date;

WHEREAS, Developer further understands, acknowledges and agrees that the preparation of the Preliminary Design Documents, the Marketing Design Documents and the Construction Documents, and the performance of Site Testing, have been at Developer's sole cost and expense, and Developer will not be entitled to reimbursement therefor, except as otherwise expressly provided under this Agreement,

WHEREAS, notwithstanding anything to the contrary set forth above, the City has agreed to reimburse Developer out of HomeStart Proceeds in accordance with Section 1422, for those costs identified on Exhibit 1-H which shall include third-party costs incurred by Developer and approved by the City and any other costs approved by the City ("**Permitted Reimbursable Costs**");

WHEREAS, Developer intends the Development to be operated as housing for "older persons" as said term is defined in the Housing for Older Persons Act of 1995, 42 U.S.C.A. § 3687(b) [Dec. 28, 1995, P.L. 104-76, §§2, 3, 109 Stat. 787 (the "**Housing Act**"), and more particularly, for persons 55 years of age or older,

WHEREAS, Developer further intends to submit any Multi-Unit Building which may be constructed on the Subject Property to the condominium form of ownership in a phased development as contemplated under the City of Chicago Condominium Ordinance, passed December 21, 1977, amending the Municipal Code of Chicago by adding Chapter 100.2 thereto, currently numbered Chapter 13-72 (the "**Condominium Ordinance**"), and

WHEREAS, certain Multi-Unit Homes must be priced by Developer to meet the City's affordability criteria (as further described herein)

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and in reliance upon the above Recitals which are incorporated by reference herein and made a part hereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties covenant and agree as follows

ARTICLE 1

DEVELOPMENT OF PROJECT

1.1 Certain Definitions.

- 1.1.1 “**Bank**” means Harris Trust and Savings Bank.
- 1.1.2 “**City’s Representative**” means the Person designated from time to time by the City to observe the Work, assist the City in rendering decisions and communicate such decisions to Developer through its representatives
- 1.1.3 “**Condominium**” means “*the Condominiums of Autumn Green at Midway Village*”, the condominium development which is intended to be created upon recordation of the *Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and By-Laws for The Condominiums of Autumn Green at Midway Village* with the Recorder of Deeds of Cook County, Illinois.
- 1.1.4 “**Condominium Documents**” means the documents required under the Condominium Ordinance and the Illinois Condominium Property Act (the “**Condominium Act**”) to submit real property located in the City of Chicago and State of Illinois to the condominium form of ownership.
- 1.1.5 “**Construction Documents**” means those documents which are actually used to construct the Project, including technical drawings, schedules, diagrams, and specifications, and which set forth in detail the requirements for the construction of the Work. The Construction Documents set forth in full all details necessary to complete the construction of the Project in accordance with the Contract Documents.
- 1.1.6 “**Developer’s Fee**” shall be the fixed fee to be paid to Developer, in the amount and at the times set forth on Exhibit 1.1.5.
- 1.1.7 “**Development**” means all of the services, including construction services, to be performed by Developer pursuant to this Agreement as to the design, construction and sale of Multi-Unit Projects on the Subject Property.
- 1.1.8 “**Marketing & General Cost Budget**” means the budget referenced on Exhibit 1-D for aspects of the Development that are not allocable to a particular Project, e.g., legal fees, on a line item basis, advertising, brochures, on-site sales office, market and other studies and costs of Site Testing, as opposed to costs which can be allocated to a particular Phase which shall be included in the Project Budget for that Phase, e.g., brokerage commission to be paid to a Project Broker for a Multi-Unit Home within a Phase. The Marketing & General Cost Budget shall show the sources of funds anticipated to be used to pay the costs shown thereon
- 1.1.9 “**Marketing Plan**” means a plan presented by Developer to the City for the marketing of the Development, including proposals for studies, advertising, furnishing of one or more Models, the licensed brokers that Developer proposes to

use for such sales, the proposed sales price for each type of Multi-Unit Home included within a Multi-Unit Project (“Target Market Price”), key personnel, and all other material aspects of Developer’s proposed marketing, all of which shall be consistent with the Request, the Preliminary Design Documents, the Marketing Design Documents and the Development Ordinance. The Marketing Plan shall provide that the specified number of Multi-Unit Homes described in Section 1.5 1.2 hereof will be priced to meet the affordability criteria established by the City and described in said Section 1.5 1.2.

- 1.1.10 **Intentionally Omitted.**
- 1.1.11 “**Model**” means any Multi-Unit Home in a Multi-Unit Building constructed by Developer and used as a model for the sale of Multi-Unit Homes.
- 1.1.12 “**Multi-Unit Building**” means a building constructed or to be constructed by Developer in a Multi-Unit Project
- 1.1.13 “**Multi-Unit Home**” means an individual residence in a Multi-Unit Building to be occupied by a single household.
- 1.1.14 “**Multi-Unit Project**” means the one (1) Multi-Unit Building constructed or to be constructed on a portion of the Subject Property in a single Phase of the Development. The Development is intended to be comprised of six (6) Multi-Unit Buildings, each containing twelve (12) Multi-Unit Homes for a total of seventy-two (72) Multi-Unit Homes, consisting of eighteen (18) one bedroom Multi-Unit Homes and fifty-four (54) two bedroom Multi-Unit Homes.
- 1.1.15 “**Permit Ready Working Drawings**” means Construction Documents which are sufficiently complete for purposes of obtaining a building permit for construction of Multi-Unit Homes in a Multi-Unit Building, or such lesser level of completion as the City may accept.
- 1.1.16 “**Phase**” means a stage of the Development for which a Project Design/Build Authorization may be executed by the City and Developer. It is currently contemplated that there will be seven (7) Phases, e.g. the site preparation stage (Phase I), and six (6) stages of construction with one (1) Multi-Unit Project developed in each Phase.
- 1.1.17 “**Project**” means (i) the general site preparation work described in a Project Design/Build Authorization executed contemporaneously with this Agreement (“**Site Preparation Project**”), and (ii) the design and construction of each Multi-Unit Project. Each Multi-Unit Project and the Site Preparation Project will be considered a separate Project in the Development. Each such Project will be governed by a separate Project Design/Build Authorization.
- 1.1.18 “**Project Budget**” means for each Project the budget therefor, including (to the extent applicable) design, marketing, construction, financing, and certain closing costs as

more fully described in the Project Design/Build Authorization for such Project. Each Project Budget will set forth the sources of funds to pay such Project costs.

- 1.1 19 **“Project Design/Build Authorization”** means the Project Design/Build Authorization, together with the Design/Build Terms and Conditions, and all other appendices and attachments thereto, the forms of which are attached hereto as Exhibit 1.1.19. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any Project Design/Build Authorization issued or entered into by the City in connection therewith, the provisions of this Agreement shall control.
- 1.1 20 **“Project Work Product”** means all right, title and interest in and to any and all materials, specifications, drawings, renderings, models, permits, applications, contracts, agreements, bid solicitations, budgets, market or income and expense projections, feasibility or other studies and analyses, books and records and all other material and data generated or produced with respect to the Development.
- 1.1.21 **“Punch List Work”** means minor items of a cosmetic nature which, when considered as a whole, do not adversely affect the use and occupancy of a Multi-Unit Home, as determined in accordance with Section 3 18 of the applicable Project Design/Build Authorization
- 1 1 22 **“Subcontracts”** shall mean contracts between Developer and a third party, including, without limitation, Lead Contractor and Design Subcontractor.
- 1 1.23 **“Unit Sale Agreement”** means the Purchase and Sale Agreement the form of which is attached hereto as Exhibit 1 1.23 between the City, as seller, and the purchaser of a Multi-Unit Home

The recitals hereinabove made are expressly incorporated in and made a part of this Agreement as if fully set forth herein. Any capitalized term used herein not otherwise defined shall have the meaning set forth in the Project Design/Build Authorization. Unless specifically indicated otherwise, the use of the term **“including”** in this Agreement shall be deemed to also mean **“but not limited to.”** For the avoidance of doubt, certain terminology (such as **“Project”** and **“Development”**) as used in this Agreement is not intended to, and does not have the same meanings as the same terms have when used in the financing documents to which the City is a party in connection with the funding provided by the Bank, including, without limitation, the Indenture and Reimbursement Agreement

- 1.2 **General Obligations of Developer** Developer does hereby undertake to perform certain duties with respect to the Development as more fully set forth in this Agreement. Such duties include evaluation, review, making specific recommendations regarding the Development, and alerting the City to actual or potential problems which may or do, in fact, arise. Developer will notify the City and the Bank as soon as it becomes aware of any condition which could adversely impact the construction of a Multi-Unit Project or the sale of a Multi-Unit Home. Developer

shall cause all services to be performed in connection with this Agreement to be performed in a good, workmanlike, and skillful manner, with licensed, qualified and competent service providers, in accordance with the professional standards applicable to residential projects currently being constructed in the Chicago metropolitan area so as to construct and sell Multi-Unit Homes in all of the Phases as expeditiously as possible.

1.3 City Approval. By its execution of this Agreement, the City approves (i) the Preliminary Design Documents and the Marketing Design Documents as the basis for Developer proceeding with the Development, and (ii) the Permit Ready Working Drawings as sufficient for construction of the Multi-Unit Buildings and the Multi-Unit Homes therein. Such approval shall not be deemed a representation by the City that the Preliminary Design Documents and/or the Marketing Design Documents comply with applicable laws, are otherwise properly designed for their intended use or render the Development feasible, and the City shall have no liability in respect of such approval.

1.4 Site Preparation, Pre-Construction Marketing Activities and Legal Compliance.

1.4.1 Site Preparation. Developer shall commence performance of the Site Preparation Project pursuant to a separate Project Design/Build Authorization promptly upon the execution thereof. The Project Design/Build Authorization must set forth, in reasonable detail, the scope of work to be performed for the Site Preparation Project. As Developer pays costs permitted under the General Site Preparation Budget, Developer shall submit requests for reimbursement and satisfy the City's requirements as specified in the Project Design/Build Authorization therefor.

1.4.2 Pre-Construction Marketing Activities

1.4.2.1 Promptly upon the execution of this Agreement, Developer shall proceed to implement the Marketing Plan in accordance with the terms thereof, the Development Schedule and the Marketing Design Documents. Any modifications to the Marketing Plan must be approved by the City. Such implementation shall include entering into written listing agreements between Developer and the approved proposed brokers ("**Project Brokers**") for the sale of Multi-Unit Homes, which agreements shall be subject to prior approval by the City ("**Listing Agreements**") All Listing Agreements entered into by Developer with Project Brokers must expressly provide that no commission shall be due or owing unless and until a sale is consummated by the City with the "Proposed Purchaser" (as hereinafter defined), and the Listing Agreements are further subject to the terms and conditions of this Agreement. Developer must assign and maintain an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to implement the Marketing Plan. Such Persons will provide services including, but not limited to, coordinating the advertising plan, scheduling appointments, and taking potential purchasers on walk-throughs of the Models, meeting with potential purchasers to discuss types of designs of any other Models, and describing features, amenities and upgrades applicable and available for the

Multi-Unit Homes The level of staffing provided in the Marketing Plan may be revised from time to time by a proposed modification to the Marketing Plan as provided herein.

- 1.4.2.2 As Developer pays costs permitted under the Marketing & General Cost Budget, Developer shall submit requests for reimbursement and satisfy the City's requirements (as specified in this Agreement) applicable to the expenses being reimbursed, e.g., budget line item balancing requirements and presentation of lien waivers to the extent appropriate, provided in no event shall such reimbursement exceed the amount designated for such expense on a line item basis in the Marketing & General Cost Budget, unless otherwise specifically approved by the City. Upon execution of this Agreement, Developer may submit requests for reimbursement pursuant to this Section 1.4.2.2 for Permitted Reimbursable Costs incurred prior to the date of execution of this Agreement. The City shall process payment of properly submitted invoices together with supporting documentation requested by the City pursuant to this Section 1.4.2.2 through the construction escrow to be established by the City and Developer for the Development. Developer agrees to include in each request for payment made pursuant to this Section 1.4.2.2 invoices sent directly to the City or the Bank in connection with the Development, provided copies of such invoices are furnished to Developer.
- 1.4.2.3 Prior to the execution of this Agreement, Developer conducted such tests as it deemed appropriate to ascertain any issues that may affect construction, including existing foundations on the Subject Property that may not have been removed when prior structures were removed. To the extent included on the Marketing & General Cost Budget and identified on Exhibit 1-H, Developer shall be entitled to reimbursement for the cost of such testing.
- 1.4.2.4 Developer may use one (1) or more Multi-Unit Homes to be constructed as the Model for the sale of Multi-Unit Homes in the Development. At such time as the City determines that a Model is no longer needed for the sale of Multi-Unit Homes, Developer shall proceed to sell such Model in the same manner that it sells other Multi-Unit Homes as provided herein.
- 1.4.3 Developer undertakes to perform all services required for the creation of a condominium development on the Subject Property, and the marketing, sale and conveyance of residential units therein, in conformance with the provisions of the Condominium Ordinance and the Condominium Act, including the preparation of all Condominium Documents and the submission of Condominium Documents to all applicable governmental authorities to the extent required under the Condominium Ordinance and the Condominium Act. Developer represents, warrants and covenants with and to the City and the Bank that the creation of condominium developments and the marketing, sale and conveyance of residential units therein will be in compliance with the Condominium Ordinance, the Condominium Act and the provisions of this Agreement. Developer further represents, warrants and covenants with and to the City and the Bank that Developer will comply with all federal, state and local requirements applicable to the development, construction, marketing and

sale of housing for “older persons” (as defined in the Housing Act) as further contemplated under the Development Ordinance.

1.5 Multi-Unit Home Sales

1.5.1 Developer shall diligently proceed through a Project Broker to locate proposed purchasers for the Multi-Unit Homes to be constructed in a particular Multi-Unit Project at prices equal to or above the Unit’s Target Market Price, provided if it is not reasonably possible to achieve such prices, lower proposed prices may be presented to the City and the Bank for consideration, it being understood that all offers received shall be presented to the City unless the City otherwise directs. Each person proposing to purchase a particular Multi-Unit Home is referred to as the “**Proposed Purchaser**” for such Multi-Unit Home. A Proposed Purchaser may not purchase more than one (1) Multi-Unit Home in the Development, and each purchase must be made on an all-cash (as opposed to installment sale) basis. Each sale must be made on an arms-length basis, and sales to individuals connected with or related to Developer are prohibited without full disclosure to, and approval of, the City and the Bank.

Sales of Multi-Unit Homes to Proposed Purchasers are further subject to the following qualifications and the Condominium Documents shall so provide: (i) at least one (1) of the occupants of a Multi-Unit Home must be 55 years of age or older, provided that in the event of the death, hospitalization, institutionalization or other involuntary vacancy of a Multi-Unit Home by the person or persons 55 years of age or older, the remaining members of the household who are younger than age 55 may continue to occupy the Multi-Unit Home in question, provided that at least eighty percent (80%) of the occupied Multi-Unit Homes in the Condominium are occupied by at least one (1) person who is 55 years of age or older and no more than twenty percent (20%) of the Multi-Unit Homes in the Condominium are occupied by persons younger than 45, (ii) if the requirement in (i) above is not satisfied, the Condominium’s Association shall have the right to require all occupants of the Multi-Unit Home in question to vacate such Multi-Unit Home. The determination of whether at least eighty percent (80%) of the occupied Multi-Unit Homes are occupied by persons 55 years of age or older shall be made by the Board of Directors of the Condominium’s Association in accordance with the Housing Act and the regulations adopted pursuant thereto, as the same may be amended from time to time; and (iii) any person 22 years of age or younger may only occupy a Multi-Unit Home as a bona fide guest for a period of not more than ninety (90) days in a three hundred sixty-five (365) day period.

1.5.1.1 Developer must pre-sell four (4) Multi-Unit Homes in the first Multi-Unit Project before construction of the first Multi-Unit Project may commence pursuant to a Project Design/Build Authorization submitted and approved by the City in accordance with Section 1.5.3 below. Construction of each remaining Multi-Unit Project may only commence when fifty percent (50%) of the Multi-Unit Homes in each such Multi-Unit Project are pre-sold by Developer, e.g. six (6) Multi-Unit Homes. In addition, construction of the second Multi-Unit Project may only

commence when not less than six (6) Multi-Unit Homes in the first Multi-Unit Project are subject to Unit Sale Agreements executed by the City, and consented to by the Bank. In addition, as a further pre-requisite to construction of a Multi-Unit Project, there may be no more than eighteen (18) unsold (i.e., not subject to Unit Sale Agreements approved and accepted in accordance with the provisions of this Agreement) Multi-Unit Homes (inclusive of any Model), in the aggregate, among all of the then-constructed or partially-constructed Multi-Unit Projects. A Multi-Unit Home shall be deemed pre-sold if there is a fully-executed Unit Sale Agreement for the particular Multi-Unit Home signed by, and binding upon, both the City and the Proposed Purchaser. Each Unit Sale Agreement is subject to the Bank's review and approval, which approval shall not be unreasonably withheld or delayed. For purposes of making the above determinations, no more than two (2) of the lowest priced Multi-Unit Homes in a single Multi-Unit Building shall be taken into account in determining whether the pre-sale requirements have been met.

As an inducement to the City to enter into this Agreement and intending the City to rely hereby, Developer represents, warrants and covenants with and to the City that the Developer will use its best efforts to obtain by December 6, 2004, at least four (4) Unit Sale Agreements acceptable to the City and meeting the criteria set forth in this Agreement for Multi-Unit Homes to be constructed in the first Multi-Unit Project. The City is entering into this Agreement in reliance upon the foregoing representation, warranty and covenant by Developer.

As used in this Section 1.5.1.1, the "**Initial Pre-Sale Requirement**" shall mean that on or before December 6, 2004 (i) Developer has obtained at least four (4) Unit Sale Agreements acceptable to the City and meeting the criteria set forth in this Agreement for Multi-Unit Homes in the first Multi-Unit Project, (ii) Developer has submitted to the City a Project Design/Build Authorization for the first Multi-Unit Project which has been fully executed by the City with the approval of the Bank, and (iii) the construction schedule set forth in the Project Design/Build Authorization for the first Multi-Unit Project requires final completion of the first Multi-Unit Project by April 30, 2005. If Developer does not satisfy the Initial Pre-Sale Requirement, the Commissioner, in his sole and absolute discretion, may terminate this Agreement pursuant to Section 6.3 hereof with no liability on the part of the City, financial or otherwise, to Developer.

If Developer satisfies the Initial Pre-Sale Requirement, the Commissioner shall enter into a Project Design/Build Authorization for the first Multi-Unit Project and shall issue a Notice to Proceed for the first Multi-Unit Project, which shall evidence the Commissioner's intention to make HomeStart Proceeds available to Developer for the first Multi-Unit Project for Work performed through April 30, 2005, for the uses and purposes described in this Agreement and such Project Design/Build Authorizations, subject to the terms of this Agreement and such Project Design/Build Authorizations. Additionally, if Developer satisfies the pre-sale requirements set forth in this Section 1.5.1.1 for any one (1) or more additional Multi-Unit Projects by December 6, 2004, the Commissioner shall enter into Project Design/Build Authorizations for any such additional Multi-Unit Projects and shall issue Notices to Proceed for any such

additional Multi-Unit Projects, which shall evidence the Commissioner's intention to make HomeStart Proceeds available to Developer for any such additional Multi-Unit Projects for Work performed through April 30, 2005, for the uses and purposes described in this Agreement and such Project Design/Build Authorizations, subject to the terms of this Agreement and such Project Design/Build Authorizations. Developer agrees to submit by May 1, 2005, in accordance with the requirements of this Agreement and any Project Design/Build Authorizations executed on or before December 6, 2004, all invoices and payment applications for Work performed through April 30, 2005. The City shall be under no obligation to process any invoices or payment applications received after May 1, 2005, unless and until the Conventional Financing is obtained, which neither the City nor the Bank Group is obligated to seek, pursue or obtain under the Bank Letter, this Agreement or otherwise, and Developer shall be entitled to payment only to the extent provided in this Agreement or any applicable Project Design/Build Authorization

The Commissioner will not enter into Project/Design Build Authorizations for Multi-Unit Projects after December 6, 2004, unless and until the Conventional Financing is obtained, which neither the City nor the Bank Group is obligated to seek, pursue or obtain under the Bank Letter, this Agreement or otherwise.

1 5.1.2 Notwithstanding anything to the contrary set forth in this Agreement, Developer acknowledges and agrees that twenty percent (20%) of the Multi-Unit Homes to be constructed pursuant to this Agreement, i.e. fourteen (14) Multi-Unit Homes based upon a total of seventy-two (72) Multi-Unit Homes, shall meet affordability criteria established by the City in its sole discretion in conformity with the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq, which affordability criteria may include a requirement that Developer sell such Multi-Unit Homes to income-qualified buyers at prices that are affordable to persons earning no more than eighty percent (80%) of the area median income, with recapture provisions as described in Section 1 5.4. For purposes of this Agreement, a Multi-Unit Home is "affordable" if it is sold at a purchase price at a level such that a family (assuming a family size calculated on the basis of 1.5 persons per bedroom in the applicable Multi-Unit Home) making the maximum allowable income (i.e., 80% of area median income) as adjusted for family size would need to devote no more than 30% of its monthly income towards its monthly housing costs (assuming financing of the purchase price through a 30-year fixed rate mortgage, at then-prevailing rates, for 70% of the purchase price, and a down payment of 30% of the purchase price).

1 5.2 Subject to the provisions of this Section 1 5.2, when a Proposed Purchaser is identified for a Multi-Unit Home, Developer shall cause to be promptly delivered to the City and the Bank a Unit Sale Agreement for the Multi-Unit Home executed by the Proposed Purchaser, together with such other executed application forms and other documents as the City or the Bank may from time to time require (collectively, "**Proposed Purchaser Package**") The proposed Unit Sale Agreement shall have all blanks and attachments appropriately completed, and shall include an executed certification from the Proposed Purchaser that it intends to reside in the Multi-Unit Home as Proposed Purchaser's primary personal residence and is not buying the

Multi-Unit Home with an intent to resell, which certification Developer, by its delivery to the City and the Bank, represents and warrants to its knowledge, and to the knowledge of the Project Broker, and their respective representatives, in their good faith belief to be a true and accurate certification. The Proposed Purchaser Package shall also include verification of the age of all persons who will occupy the Multi-Unit Home in question. Verification must be submitted in one of the following forms: (1) a driver's license, (2) a birth certificate, (3) a passport; (4) an immigration card, (5) military identification; (6) any other state, local, national, or international official document containing a birth date of comparable reliability; or (7) a certification signed by any member of the household of the Proposed Purchaser age 18 or older asserting that at least one person in the Multi-Unit Home in question will be 55 years of age or older. The earnest money required for a Multi-Unit Home, based upon the formula set forth in the Unit Sale Agreement, but in no event less than five percent (5%) of the purchase price for such Multi-Unit Home, and a cash deposit for options and upgrades in an amount acceptable to the City, shall simultaneously be delivered to the City, or as directed by the City, as provided in the Unit Sale Agreement. The earnest money and any cash deposit for options and upgrades shall be maintained in an escrow account at the Bank for disposition as provided in the Unit Sale Agreement.

Notwithstanding the foregoing, Developer agrees that after December 6, 2004, it will not obtain from a Proposed Purchaser nor deliver to the City and the Bank, any Unit Sale Agreement for a Multi-Unit Home which is to be located in any Multi-Unit Project for which there is not an executed Project Design/Build Authorization as of December 6, 2004.

- 1.5.3 When Developer has satisfied the pre-sale requirements set forth in Section 1.5.1.1 for a particular Multi-Unit Project, as determined by the City and the Bank in their sole and absolute discretion, Developer must promptly deliver to the City and the Bank a Project Design/Build Authorization for such Multi-Unit Project (or the Site Preparation Project, as the case may be) executed by Developer, with all blanks and attachments appropriately completed, including the Project Budget for such Multi-Unit Project (or the Site Preparation Project, as the case may be), which in no event may exceed the maximum cost for such Multi-Unit Project (or the Site Preparation Project, as the case may be) set forth on the Maximum Cost Schedule attached as Exhibit 1-E hereto. The Project Budget for each Multi-Unit Project (or the Site Preparation Project, as the case may be) shall set forth the source of funds for such Multi-Unit Project, broken down among HomeStart Proceeds, Bond Proceeds and sales proceeds from the sale of Multi-Unit Homes. The Project Budget shall further include line items in such detail as may be required by the City and the Bank, and shall at a minimum include the line items provided for in the description of the Project Budget in the Project Design/Build Authorization. Those items shall include (a) a one percent (1%) bank fee as to all matters in the Project Budget funded from HomeStart Proceeds; (b) interest on all Project Budget items funded from HomeStart Proceeds from the time such costs are incurred by or on behalf of the City until thirty (30) days after the later of (i) the Date of Substantial Completion of all Multi-Unit Homes in the Multi-Unit Project in question, and (ii) the date that all construction

conditions for the closing of Multi-Unit Homes in the Multi-Unit Project in question have been fulfilled under all Unit Sale Agreements then in effect for such Multi-Unit Project, at the rate of five and one-half percent (5.5%) per annum on the amount outstanding from time to time on HomeStart Proceeds (giving effect to the repayment of HomeStart Proceeds from sale proceeds realized upon the closing of Multi-Unit Homes in the Multi-Unit Project, which shall be applied only to reduce the balance of HomeStart Proceeds); and (c) brokerage commissions and legal fees incurred in connection with the sale of Multi-Unit Homes in the Multi-Unit Project in question (collectively, "City Costs"). Although City Costs may be paid by the City and may not be incurred by Developer, such costs shall be included in the Cost of the Work for the purpose of the Project Design/Build Authorization, and such costs will be included to determine if the Cost of the Work exceeds the Guaranteed Maximum Cost provided for therein. The Project Budget shall also include the Developer's Fee which will be paid as provided herein and in the Project Design/Build Authorization.

1.5.4 The City shall determine whether it is willing to enter into the proposed sale of a Multi-Unit Home based upon the City's evaluation of the Proposed Purchaser Package, which may take into account, among other things, the proposed Project Budget for the Multi-Unit Project in question, purchase price, qualifications of the Proposed Purchaser, the Proposed Purchaser's capability to consummate the purchase, which may include waiting for the expiration of a mortgage contingency period and delivery to the City of a mortgage commitment obtained by the Proposed Purchaser that is satisfactory to the City, and other legally permissible factors that it elects to take into consideration. If the City determines to proceed with the sale, it shall execute the Unit Sale Agreement and return it to Developer. If the City desires to make any changes to the Unit Sale Agreement, Developer shall cause such changes to be delivered to the Proposed Purchaser for its consideration and, if acceptable, written acceptance, which written acceptance shall promptly be returned by Developer to the City and the Bank. Developer acknowledges that the City will not enter into, nor will the Bank approve, any Unit Sale Agreement after December 6, 2004, for a Multi-Unit Home which is to be located in any Multi-Unit Project for which there is not an executed Project Design/Build Authorization as of December 6, 2004, unless and until the Conventional Financing is obtained which neither the City nor the Bank Group is obligated to seek, pursue or obtain under the Bank Letter, this Agreement or otherwise.

1.5.5 The City will not proceed with a Project Design/Build Authorization for a particular Multi-Unit Project until the minimum number of Multi-Unit Homes in such Multi-Unit Project as specified in Section 1.5.1.1 above are subject to binding Unit Sale Agreements. Upon execution of a Project Design/Build Authorization by Developer for a Multi-Unit Project, such Project Design/Build Authorization may not be withdrawn by Developer if Unit Sale Agreements for Multi-Unit Homes in such Multi-Unit Project have been executed by the City and Proposed Purchasers and such Unit Sale Agreements remain in effect. Developer shall not proceed with construction of a Multi-Unit Project until Developer has received a Project Design/Build Authorization for such Multi-Unit Project fully executed by both Developer and the City

1.6 Construction Phase.

1.6.1 Upon execution of a Project Design/Build Authorization for construction of a Multi-Unit Project, Developer shall proceed with construction of the Multi-Unit Project as provided herein and in the Project Design/Build Authorization therefor

1.7 Closing of Multi-Unit Home Sales.

1.7.1 The closing of sales of Multi-Unit Homes pursuant to the Unit Sale Agreements shall be under the sole direction and control of the City or its designees, including ordering of title insurance commitments, preparation of customary closing documents, and consummating the closing.

1.7.2 Developer shall cooperate with the City in preparation for closings, including delivery of surveys and documents needed to provide title insurance over mechanics lien exceptions.

1.7.3 Developer shall provide to each purchaser of a Unit at the time of closing a third party home warranty, issued by the issuer, and in the form, set forth in Exhibit 173 attached hereto. The cost of the third party home warranty has been included in the Marketing & General Cost Budget as a separate line item entry, and funds shall be made available for such purpose up to the amount set forth in the Marketing & General Cost Budget. Such warranty shall be supplemental to the warranty provided by Developer for such Multi-Unit Home under the Project Design/Build Authorization for the Multi-Unit Project in question, which warranty in the Project Design/Build Authorization Developer agrees to fulfill directly for the benefit of any owner of a Multi-Unit Home to the extent requested by the City.

1.7.4 Without limiting the City's rights under other provisions of this Agreement, if a Multi-Unit Home (excluding any Model) within a Multi-Unit Project is not sold within one hundred twenty (120) days of the Date of Substantial Completion of such Multi-Unit Home, or if a closing of a Multi-Unit Home does not occur as provided for in the Unit Sale Agreement for such Multi-Unit Home within one hundred twenty (120) days of Substantial Completion of such Multi-Unit Home, the City may by notice to Developer require Developer to substitute a different broker to market and sell any or all of the unsold Multi-Unit Homes in such Multi-Unit Project. Upon receipt of such notice, Developer shall propose an alternative broker, and upon approval of such alternative broker, such broker shall become the Project Broker for future sales of Multi-Unit Homes in such Multi-Unit Project or, at the City's sole election, for any Multi-Unit Project in the Development.

1.7.5 If a Multi-Unit Home is constructed but for any reason the closing of the sale of such Multi-Unit Home does not occur as provided for in the Unit Sale Agreement for such Multi-Unit Home, or if the City permits a Multi-Unit Project to be constructed before binding Unit Sale Agreements have been entered into in respect of all Multi-Unit Homes in such Multi-Unit Project, Developer shall have a period not to exceed one hundred sixty-five (165) days after the Date of Substantial Completion of such Multi-

Unit Home for which the sale does not occur, or one hundred sixty-five (165) days after the Date of Substantial Completion of such Multi-Unit Project, as the case may be, to present to the City a Unit Sale Agreement for such Multi-Unit Home that did not close, or for all unsold Multi-Unit Homes in such Multi-Unit Project. If Developer fails to do so within such time periods, or if the City does not execute any such Unit Sale Agreements within such time periods because they were unacceptable to the City, the City at its option may by notice to Developer remove any such Multi-Unit Home or Multi-Unit Project, as the case may be, from the Development. Upon the removal of any such Multi-Unit Home or Multi-Unit Project, as the case may be, Developer shall have no further rights to sell such Multi-Unit Home or the Multi-Unit Homes in such Multi-Unit Project, as the case may be, or to receive the portion of the Developer's Fee that is based on the closing of sales of such Multi-Unit Homes, and the City shall have the right to take any action it deems appropriate in connection with such Multi-Unit Home or Multi-Unit Project, as the case may be, including allowing another developer to sell such Multi-Unit Home or the unsold Multi-Unit Homes in the Multi-Unit Project in question. With the exception of the remedy provided in Section 1.7.4 above, the remedies provided in this Section 1.7.5 shall be the City's sole and exclusive remedies if Multi-Unit Homes are not sold or sales closed in accordance with this Section 1.7.5 without Developer's fault, provided this shall not limit Developer's liability for breaching any obligations set forth in this Agreement or in any Project Design/Build Authorization.

1.8 Milestone Dates

- 1.8.1 Set forth on Exhibit 1.8.1 attached hereto is a schedule of "Milestone Dates" for each Phase of the Development (exclusive of the site preparation Phase) which will be used to determine the progress of the Development. Each schedule includes (i) the dates for execution of Unit Sale Agreements for each Multi-Unit Home in the Multi-Use Project in question; (ii) the Dates of Substantial Completion for all Multi-Unit Homes to be constructed in the Multi-Use Project in question, and (iii) the aggregate number of closings of sales of Multi-Unit Homes in the Multi-Use Project in question to Proposed Purchasers by specified dates
- 1.8.2 The date for Substantial Completion of any Multi-Unit Project that is the subject of an Excusable Event of Delay shall be extended by the time of such delay in determining if a construction Milestone Date has been met in respect of that Multi-Unit Project.
- 1.8.3 If any of the Milestone Dates are not met, or if the City reasonably determines that a Milestone Date will not be met by Developer, the City, at its option, may by notice to Developer remove from the Development any or all of the Phases for which a Project Design/Build Authorization is not in full force and effect, and, upon removal of any such Phase, Developer shall have no further rights under this Agreement with respect to such Phase, and the City shall have the right to take any action it deems appropriate, including allowing another developer to construct one (1) or more Multi-Unit Projects on the remaining Subject Project, and sell Multi-Unit Homes therein. With the exception of the remedy provided in Section 1.7.5 above, the remedies provided in this Section 1.8.3 shall be the City's sole and exclusive remedies if any of

the Milestone Dates are not met without Developer's fault, provided this shall not limit Developer's liability for breaching any obligations set forth in this Agreement or in any Project Design/Build Authorization. For example, if the Milestone Date for Substantial Completion of any Multi-Unit Project does not occur by the date specified, but Developer has otherwise performed its obligations under this Agreement and any Project Design/Builder Authorization, the City's remedies shall be limited to the remedies provided in this Section 1.8.3.

1.9 Miscellaneous Development Matters.

- 1.9.1 Developer shall furnish its best professional expertise and judgment in furthering the City's interests. Developer shall assign an experienced team of professionals, under the direction of a project manager ("**Project Manager**").
- 1.9.2 Prior to the start of design and construction activities, Developer shall establish a program of Development controls and procedures.
- 1.9.3 Developer shall initiate and maintain planning, scheduling and proper management for all Phases of the Development, including, without limitation, schedules for design, marketing, and commencement and completion of construction consistent with this Agreement, including the Milestone Dates, and the Project Design/Build Authorizations.
- 1.9.4 Developer shall provide to the City and the Bank monthly written progress reports on the overall status of the Development and all executed Project Design/Build Authorizations entered into by Developer and the City in connection therewith, including the areas of (i) Project cost control and Project Budget, (ii) Project Schedule control, (iii) quality assurance, (iv) MBE/WBE and City resident employment compliance and (v) safety. If approved by the Commissioner, Developer may use its internal form of reporting to address items (i), (ii), (iii) and (v) above. In addition, Developer's monthly report shall set forth scheduled and projected progress for the forthcoming month, identify any significant developments affecting or relating to the Development, including any major problems and recommendations for corrective action, and include minutes of all Project meetings held in the preceding month. Such reports shall be computer-generated, if requested by the City, and contain such additional matters as the City may request. The monthly progress reports shall be submitted to the City at the time of each monthly Application for Payment (as defined in the Project Design/Build Authorization) and shall be a prerequisite thereto. Set forth on Exhibit 1.9.4 is a list of specific matters or items which must either be included in the monthly written progress reports or be attachments thereto.
- 1.9.5 Developer shall consult with the City on all matters which are subject to the City's approval and promptly submit such matters to the City for approval prior to taking any action.
- 1.9.6 Developer shall use Developer's overall expertise and buying power to benefit the Development, including trade discounts, rebates and refunds.

- 1.9 7 Developer shall permit the City and the Bank and their representatives, at all times, to inspect each Project and inspect and audit Developer's records relating to the Development, to consult with the Project Manager, personnel and support staff of Developer provided to perform the obligations of Developer hereunder, attend Project meetings, and to post such advertisements, signs or notices as the City may deem desirable at or in the vicinity of the Project. The City and its representative shall have the right and privilege, at the City's option, to make copies of the books and records maintained by Developer or its Affiliates with respect to the Project for a period of time extending for seven (7) years following the Date of Substantial Completion of the last Project constructed pursuant to the Development. Developer shall maintain and preserve its books and records during such period of time or for so long thereafter as any questions or contested items previously raised remain unresolved. Such inspections and audits may be on either a continuous or periodic basis or both. All such activities shall be conducted so as not to unreasonably interfere with the performance of Developer's duties under this Agreement.
- 1 9 8 Developer shall provide sufficient organization, personnel and management to carry out its obligations in connection with the Development; schedule and conduct pre-construction, construction and progress meetings to discuss such matters as procedures, progress, problems and scheduling, and prepare or cause to be prepared and promptly distribute minutes of such meetings
- 1 9 9 Developer shall be responsible for not damaging or interfering with adjacent lands, or their owners or occupants, in completing Projects, and shall obtain all necessary consents, licenses and easements required for the Projects, subject to the City's approval
- 1 9.10 Developer shall insure that all Persons used in connection with the Development have all proper licenses and approvals as may be required by law, and all services to be performed by or on behalf of Developer that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Notwithstanding anything to the contrary in this Agreement, Developer may not provide and the City will not be obligated to compensate Developer for any services requiring registration with the Illinois Department of Professional Regulation unless and until Developer is registered with the Illinois Department of Professional Regulation, as required. Developer must provide copies of any such licenses. Developer shall be responsible for the professional and technical accuracy of all services or deliverables furnished, whether by Developer or its Subcontractors or other Persons on Developer's behalf.
- 1 9 11 All Persons used in connection with the Development are subject to the City's approval in its sole discretion. The City has the absolute right upon written notice to Developer to immediately rescind approval of any Person theretofore approved by the City. In such event, Developer shall immediately remove the objectionable Person from the Project and the Project site and replace the objectionable Person with a Person approved by the City. Each agreement entered into by Developer shall

expressly refer to and incorporate such rights of the City to cause the removal of an objectionable Person

1 9.12 With the execution of this Agreement, Developer hereby assigns to the City, for collateral purposes only, to secure the performance of Developer's obligations under this Agreement and any Project Design/Build Authorization issued in connection herewith, all contracts and other agreements entered into by Developer in connection with the Development, including all Subcontracts. Developer acknowledges and agrees that such contracts and other agreements, including all Subcontracts, may be further assigned by the City to the Bank, for collateral purposes only, to secure the obligations of the City to the Bank pursuant to the financing documents between the City and the Bank. Upon the occurrence of a default by Developer under this Agreement or a Project Design/Build Authorization, the City and its successors and assigns may in their respective sole and absolute discretion succeed to the rights of Developer under such contracts or other agreements, including any Subcontracts, subject to the limitations set forth in Section 6.2 hereof. Each such contract or other agreement, including Subcontracts, shall expressly refer to and incorporate such rights of the City and the Bank

1.9.13 Developer shall, in addition to all of its other responsibilities, be responsible for managing the Development from a development point of view and the tasks, duties and coordination activities required in order to provide for the overall development of the Development

1 9.14 In carrying out its duties and obligations hereunder, Developer's and Project Broker's relationships to the City shall be that of independent contractors. Developer's and Project Broker's employees, contractors, suppliers, representatives and agents shall be and remain employees, contractors, suppliers, representatives and agents, as the case may be, of Developer and Project Broker, and not of the City. None of Developer, any Project Brokers, nor any of their employees, contractors, suppliers, representatives or agents shall have authority to execute on behalf of the City a Unit Sale Agreement, or any other agreement or commitment on behalf of the City, or make any representations or warranties on behalf of the City, or otherwise bind or purport to act on behalf of the City, in connection with the Development, any Project that is a part thereof, or otherwise.

1.10 Design Services.

1 10 1 Developer shall enter into a subcontract with Mann, Gin, Dubin & Frazier, Ltd ("Architect/Engineer") who shall perform (or cause to be performed) all design and engineering services required under this Agreement and the Project Design/Build Authorizations issued in connection herewith. The City has approved Mann, Gin, Dubin & Frazier, Ltd. as the Architect/Engineer for the Development. The Architect/Engineer shall not be replaced by any other organization as the Architect/Engineer for the Development, except as otherwise approved by the City and the Bank. The Architect/Engineer and any others performing architectural services shall be architects licensed by the State of Illinois

1 10.2 In addition to the requirements set forth in Section 13.2 of the Project Design/Build Authorization, Developer's Subcontract with the Architect/Engineer shall contain a provision whereby the Architect/Engineer acknowledges that, despite the fact that the Architect/Engineer is not in privity of contract with the City, the City and its assigns shall have the right to bring a direct cause of action against the Architect/Engineer for its acts and omissions in connection with its work on the Project. The Subcontract with the Architect/Engineer shall further provide that the Architect/Engineer agrees that service of process on it may be made, at the option of the City, either by registered or certified mail addressed to the Architect/Engineer, by registered or certified mail addressed to any office actually maintained by the Architect/Engineer, or by personal delivery on any officer, director, or managing or general agent of the Architect/Engineer.

The Subcontract with the Architect/Engineer shall also set forth the Architect/Engineer's acknowledgment and agreement that (i) the Architect/Engineer shall at all appropriate times during on-site construction activities have a representative at the Project Site to observe the progress and quality of the Work; (ii) the Architect/Engineer shall, pursuant to such on-site observations as an architect/engineer, endeavor in good faith to guard against defects and deficiencies in the Work; (iii) the Architect/Engineer shall be obligated to provide Developer and the City with written notice of any defects or deficiencies in the Work observed by the Architect/Engineer; (iv) if Developer does not within a reasonable period of time remedy to the reasonable satisfaction of the Architect/Engineer the conditions so reported to Developer, the Architect/Engineer shall provide both Developer and the City with written notice of the condition not remedied and the Architect/Engineer's recommendation of the actions that are necessary to remedy such condition, and (v) the Architect/Engineer shall conduct inspections to determine whether Developer shall have achieved, in the independent opinion of the Architect/Engineer, the Date of Substantial Completion of the Multi-Unit Project, and shall not tender any Certificate of Substantial Completion of the Multi-Unit Project to the City unless and until the Architect/Engineer has determined to the best of its knowledge, information and belief that Developer has achieved the Date of Substantial Completion of the Multi-Unit Project in accordance with the provisions of this Agreement and the other Contract Documents

1 10.3 Developer shall be responsible for the design of each Multi-Unit Project (as such Multi-Unit Project is described at the beginning of the applicable Project Design/Build Authorization and herein), as required hereby and as set forth in the Contract Documents, including all design and engineering services and the provision of all drawings and specifications and other items that are necessary or appropriate for the total development and design of the Multi-Unit Project, together with all additional, collateral and incidental work and services required for completion of the Multi-Unit Project as set forth in the Contract Documents. All design services shall be performed by or on behalf of Developer in accordance with the Contract Documents and all applicable laws, codes, ordinances, rules and regulations of governmental authorities having jurisdiction over the site and/or the Work. Developer warrants that all design documents produced for the City under this

Agreement shall comply with all Federal, State of Illinois, and local laws and regulations regarding accessibility standards for persons with disabilities or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act of 1990, 42 U.S.C 12101 et seq and the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (“ADAAG”), the Architectural Barriers Act, P.L. 90-480 (1968) and the Uniform Federal Accessibility Standards (“UFAS”); the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1989), and the regulations promulgated thereto, including those at 71 Ill. Adm Code Ch 1, Sec. 400 110. In the event that the above cited standards are inconsistent, Developer shall comply with the standard providing greater accessibility. Developer shall, prior to construction, review the plans and specifications to ensure compliance with the above referenced standards. If Developer fails to comply with the foregoing standards, Developer shall perform again at Developer’s expense all work required to be performed as a direct or indirect result of such failure.

Developer shall comply, and shall cause the Architect/Engineer to comply, with all existing and future applicable laws, ordinances, rules, regulations, and lawful orders of governmental authorities relating to the Multi-Unit Project and shall give all applicable notices pertaining thereto, shall prepare and file all documents required to obtain the necessary approvals of governmental authorities having jurisdiction over the Multi-Unit Project. Developer shall coordinate design requirements with governmental agencies, utilities, railroad entities and all other parties either involved in infrastructure improvements, if any, or otherwise affected by the design and construction requirements

1.10.4 Developer represents that the Construction Documents are consistent with, and develop in detail, the intent of the Contract Documents and constitute documents customarily required for regulatory agency approvals

1.10.5 Certain design documents are required by the Contract Documents to be submitted and/or provided by Developer to the City. In addition to the document submittal requirements set forth elsewhere in the Contract Documents, Developer shall submit the following documents to the City and the Bank as soon as they are available, and shall submit the minimum number of copies listed below

Drawings. Submit one (1) set of reproducible drawings, and four (4) sets of full-sized blue-line drawings, and four (4) sets of all narrative documents including specifications

Contracts. Two (2) copies of Developer’s Subcontract with the Architect/Engineer

All reproducible plans and drawings to be delivered to the City pursuant to the Contract Documents, including but not limited to Permit Ready Working Drawings and as-built Construction Documents, shall be high-quality Mylars, provided,

however, that Developer shall provide reproducible copies (not Mylars) of shop drawings.

The City shall have no obligation to review any of the foregoing, all of which shall be consistent with the requirements of this Agreement. In addition to the number of copies specified above, Developer shall provide to the City three (3) copies of each document provided to all governmental bodies other than the City in their role as regulatory agencies, simultaneously with their delivery to such other bodies

- 1.10.6 The Architect/Engineer shall comply with the insurance requirements set forth in Attachment 1 to the Project Design/Build Authorization
- 1.10.7 The copies or other tangible embodiments of all design materials, whether or not such materials are subject to intellectual property protection, including documents, shop drawings, data, plans, drawings, sketches, illustrations, specifications, descriptions, models, the Construction Documents, and any other documents developed, prepared, furnished, delivered or required to be delivered by Developer, the Architect/Engineer or any other Design Subcontractor to the City under this Agreement (collectively, “**Design Materials**”) shall be and remain the property of the City whether or not the Multi-Unit Project and/or Work is commenced or completed, as further set forth in this Agreement. Within ten (10) calendar days of the earlier of the Date of Substantial Completion of the Multi-Unit Project or the date of termination of this Agreement, Developer shall turn over to the City any of the Design Materials which have not yet been submitted to the City
- 1.10.8 Payments to the Architect/Engineer and any other Design Subcontractor shall be made in accordance with the procedures and requirements set forth in Article 7 of the Project Design/Build Authorization
- 1.10.9 Any design defects shall be corrected by or on behalf of Developer in accordance with Article 12 of the Project Design/Build Authorization

ARTICLE 2

PAYMENTS

- 2.1 **Developer’s Compensation.** The City shall pay to Developer for its services hereunder the amounts provided for in this Agreement and in the Project Design/Build Authorizations for applicable portions of the Development. Developer shall be entitled to no other compensation in connection with the Development.
- 2.2 **Unpaid Amounts.** All payments to be made hereunder or under the Project Design/Build Authorizations shall be made in lawful money of the United States Except as expressly provided herein, if any amount due hereunder from Developer is not paid when due and owing, Developer agrees to pay, on demand, a charge equal to the Prime Rate on the date due and owing, or on the business day immediately following such date, as it from time to time changes thereafter, plus two hundred (200) basis points per annum on such amount until such amount is paid in full

“**Prime Rate**” shall mean, on any day, the annual rate as published daily in *The Wall Street Journal* in the “**Money Rates**” section (or, if such publication or index is discontinued, such other publication or index of similar type reasonably designated by the City), regardless of whether such rate is ever applied.

2.3 **Maximum Compensation Amount.** Notwithstanding anything contained herein or in any Project Design/Build Authorization issued or entered into in connection herewith, the maximum aggregate amount that the City shall be obligated to pay under this Agreement shall not exceed the aggregate amounts shown on the Exhibit 1-H hereto. Notwithstanding anything contained herein or in any Project Design/Build Authorization issued or entered into in connection herewith, the maximum aggregate amount that the City shall be obligated to pay for the Development pursuant to this Agreement and all Project Design/Build Authorizations issued or entered into in connection with the Development shall not exceed Fifteen Million and no/100 Dollars (\$15,000,000).

ARTICLE 3

INDEMNITY

3.1 **Indemnity by Developer** Developer agrees, to the fullest extent permitted by law, to protect, indemnify, defend, and hold harmless the Bank, the City, its Affiliates, the employees, officers, public officials, and agents of the City and its Affiliates, and all of the respective heirs, legal representatives, successors and permitted assigns of the foregoing (“**Indemnified Parties**”) against any and all liabilities, costs, and expenses (including attorneys’ or other professional fees and expenses), judgments, claims, damages, injuries, deaths, demands, fines, penalties, liens, settlements, offsets, defenses, counterclaims, actions, or proceedings (including those arising from the failure of, or use or misuse by Developer, its Subcontractors, or their agents, servants, or employees of, any scaffolding, hoist cranes, stays, ladders, supports, rigging, blocking or any and all other kinds of items of equipment, whether or not they are owned, furnished, or loaned by the Indemnified Parties), by whomsoever asserted, including, without limitation, any Person who prosecutes or defends any actions or proceedings, whether as representative of or on behalf of a class or interested group or otherwise, arising out of, or in any way connected with, or resulting from (a) any breach by Developer of any of its covenants, representations, or warranties contained in this Agreement unless Developer is excused from performance pursuant to the terms of this Agreement or by operation of law, (b) any misrepresentation by Developer or any of its representatives relating to the Development, or (c) any consequence of granting this Agreement, or arising out of or in any way in connection with, or resulting from performing, or failing to perform, Developer’s obligations under this Agreement, provided the foregoing shall not apply to the extent claims are determined by final judgment to have been caused by, or attributable to, the negligence of the City “**Affiliate**” shall mean, with respect to any Person, each Person that controls, is controlled by, or is under common control with, such Person. The term “**control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the

ownership of voting securities, by contract, or otherwise "Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, limited liability company, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government (whether federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof). To the extent permissible by law, Developer waives any limits on the Developer's liability to the City that it would otherwise have by virtue of the Worker's Compensation Act or any other related law or judicial decision (such as *Kotecki v Cyclops Welding Corporation*, 146 Ill 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Worker's Compensation Act, the Illinois Pension Code or any other statute Developer will to the extent permitted by law indemnify hereunder even though the claimant may allege that the Indemnified Parties were in charge of the Work or allege negligence on the part of the Indemnified Parties.

3.2 Defense of Third Party Claims. In the event that any legal proceeding shall be instituted, or that any claim or demand shall be asserted by any Person, the City may cause written notice of the assertion of any claim of which it has knowledge to be forwarded to Developer, and Developer shall, at its sole expense, by counsel of its choice, which must be satisfactory to the City, defend the City against, and negotiate, settle, or otherwise deal with any proceeding, claim, or demand; provided, however, that no settlement shall be made without the prior written consent of the City; and provided further that Developer shall keep the City advised as to the status of the matter. The City shall have the right in its sole discretion to participate in the defense of any such proceeding with counsel of its choice at its expense without relieving Developer of its obligation to indemnify and defend. The parties hereto agree to provide information for the defense, negotiation, or settlement of any such legal proceeding, claim or demand, but without expense to the City. Developer will promptly provide, or cause to be provided, to the City copies of all notices that Developer may receive of any matters for which the City is entitled to indemnification under this Agreement.

3.3 Payment of Indemnified Amounts. After any final judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction, and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the parties shall have arrived at a mutually binding agreement with respect to each separate matter indemnified hereunder, the City may forward to Developer notice of any sums due and owing by Developer with respect to such matter and Developer shall be required to pay all of the sums so owing to the City within thirty (30) days after the date of such notice.

3.4 Miscellaneous. Developer expressly understands and agrees that the Performance and Payment Bond or insurance required by the Project Design/Build Authorization or the other Contract Documents provided for therein, or otherwise provided by Developer, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Indemnified Parties as herein provided

ARTICLE 4

MBE/WBE AND OTHER HIRING AND LABOR COMMITMENTS

4.1 MBE/WBE Commitment.

- (a) In the performance of this Agreement and all Project Design/Build Authorizations executed in connection herewith, Developer must abide by the Special Conditions Regarding Minority Business Enterprise Commitment and Women Business Enterprise Commitment (“**MBE/WBE Special Conditions**”) attached hereto as Exhibit 4.1(A). Attached as Exhibit 4.1(B) are the overall plan and completed Schedules C-1 and D-1 showing how Developer will comply with the MBE/WBE requirements for this Agreement, which plan and schedules have been accepted by the Commissioner and are part of this Agreement. For purposes of this Section and the MBE/WBE Special Conditions, “**Total Contract Price**” means the total compensation paid to Developer under this Agreement and all Project Design/Build Authorizations for the Development, including any and all compensation for testing and investigation, marketing, design, sale and construction, insurance, third party home warranty and the Developer’s Fee. The MBE requirements under this Agreement will be computed by multiplying .169 (representing the required MBE percentage of 16.9 percent) by the Total Contract Price. The WBE requirement under this Agreement will be computed by multiplying .045 (representing the required WBE percentage of 4.5 percent) by the Total Contract Price. “**Percentage Amount of Participation**”, as used in Schedule D-1, means for each MBE or WBE participant, the Dollar Amount of Participation (as used in Schedule D-1) divided by the Total Contract Price. Notwithstanding that acceptance, Developer must utilize minority and women business enterprises at the greater of (i) 16.9 percent and 4.5 percent, respectively, of the Total Contract Price or (ii) those amounts listed in the Schedules C-1 and D-1 as approved by the Commissioner.
- (b) Developer has submitted to the City its overall plan, in such detail as the City has requested, showing how Developer will comply with the MBE/WBE requirements set forth in subsection (a) above for the duration of this Agreement.
- (c) In addition to the reporting requirements contained in the MBE/WBE Special Conditions, every quarter that this Agreement is in effect, twenty (20) days prior to each quarterly anniversary of the effective date of this Agreement, Developer must submit to the City revised and updated Schedules C-1 and D-1 evidencing compliance with this Section. Within twenty (20) days after each quarterly anniversary date of the effective date of this Agreement, Developer must provide a statement to the City showing (i) a calculation of the MBE/WBE goals for the prior quarter based on the Total Contract Price in that prior quarter; and (ii) the actual amount of MBE/WBE participation that Developer achieved in that prior quarter. If, in any quarter, such statement indicates that the actual amount of MBE/WBE participation in (ii) above is less than the calculated MBE/WBE goal for that quarter in (i) above, then Developer must also submit along with its

statement a detailed plan (“**MBE/WBE Plan**”) of how Developer will proceed to address the underutilization of MBE and WBE entities in Units for which there are outstanding Project Design/Build Authorizations that are not in default so that the MBE and WBE requirements described above will be satisfied.

- (d) If, at any time, the Commissioner determines, based on Developer’s submittal of quarterly statements and the MBE/WBE Plan, that Developer’s underutilization of MBE and WBE entities will materially affect Developer’s ability to satisfy the MBE/WBE requirements set forth above, the underutilization shall constitute a default under this Agreement (“**MBE/WBE Default**”) and, in addition, Developer shall be subject to any and all penalties imposed under Section 2-92-445 of the Municipal Code of Chicago. Notwithstanding the foregoing, this subsection (d) shall not apply to the extent such underutilization occurs pursuant to a waiver approved by the City.

4.2 City Resident Employment Requirement. Except as otherwise prohibited by law, Developer and all Subcontractors that perform work on the site of a construction project having an estimated contract value of \$100,000 or more must 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 fifty percent of the total worker hours must be performed by actual residents of the City), provided, however, that in addition to complying with this percentage, Developer and all Subcontractors will make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. A contractor or bidder may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 in accordance with standards and procedures developed by the City “**Actual Residents of the City**” means persons domiciled within the City. The domicile is an individual’s one and only true, fixed and permanent home and principal establishment. Developer will provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed in the Development. Developer and Subcontractors will maintain copies of personnel 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 City in triplicate, and 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. Full access to the Developer’s and Subcontractors’ employment records will be granted to the City, including the Commissioner, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. Developer and Subcontractors must maintain all relevant personnel data and records for a period of at least three years after final acceptance of the work, or such longer periods as are otherwise provided for in this Agreement or the Project Design/Build Authorization. At the direction of the Commissioner, affidavits and other supporting documentation will be required of Developer to verify or clarify an employee’s actual address when doubt or lack of clarity has arisen. Good faith efforts on the part of Developer 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 City) will 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 is completed, in the event that the City has determined that Developer failed to ensure the fulfillment of the requirement of this section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will have been damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this section. Therefore, in such a case of non-compliance it is agreed that 1/20 of 1 percent (1%), or 0.0005, of the amount otherwise to be paid to Developer will be surrendered by Developer to the City in payment for each percentage of shortfall from the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed. The willful falsification of statements in the certification of payroll data may subject Developer or Subcontractors or the submitting Person to prosecution. Any retention to cover contract performance that may become due to Developer may be withheld by the City pending the City's determination whether the Developer must surrender damages as provided in this section. Nothing herein provided will be construed to be a limitation upon the "Notice of Requirements For Affirmative Action To Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246" or other affirmative action required for equal opportunity. Developer must include this provision in all agreements with Subcontractors. Copies of the standards and procedures developed by the City are available in the Department of Purchases, Contracts and Supplies, Bid and Bond Room, Room 401, 4th Floor, 121 N LaSalle, Chicago, IL 60602.

ARTICLE 5

PROJECT WORK PRODUCT

- 5.1 Delivery of Physical Items.** Regardless of the manner of termination of this Agreement, Developer shall, to the extent the Project Work Product constitutes physical items, collect and deliver to the City the Project Work Product, which shall thereafter be the exclusive property of the City.
- 5.2 Copyright Ownership** Developer and the City intend that, to the extent permitted by law, the Project Work Product is conclusively deemed "works made for hire" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. § 101 *et seq* ("Copyright Act"), and that the City will be the sole copyright owner of the Project Work Product and of all aspects, elements and components of them in which copyright can subsist, and of all rights to apply for copyright registration or prosecute any claim of infringement. To the extent that any of the Project Work Product does not qualify as a "work made for hire," Developer hereby irrevocably grants, conveys, bargains, sells, assigns, transfers and delivers to the City, its successors and assigns, all right, title and interest in and to the copyrights and all U.S. and foreign copyright registrations, copyright applications and copyright

renewals for them, and other intangible, intellectual property embodied in or pertaining to the Project Work Product, and all goodwill relating to them, free and clear of any liens, claims or other encumbrances, to the fullest extent permitted by law Developer will, and will cause all other persons within its control or performing services for it in connection with the Development to, execute all documents and perform all acts that the City may reasonably request in order to assist the City in perfecting its rights in and to the copyrights relating to the Project Work Product. Developer warrants to the City, its successors and assigns, that on the date of transfer Developer is the lawful owner of good and marketable title in and to the copyrights for the Project Work Product and has the legal rights to fully assign them. Developer further warrants that it has not assigned and will not assign any copyrights and that it has not granted and will not grant any licenses, exclusive or nonexclusive, to any other party, and that it is not a party to any other agreements or subject to any other restrictions with respect to the Project Work Product. Developer warrants and represents that the Project Work Product are complete, entire and comprehensive, and that the Project Work Product constitute a work of original authorship. Notwithstanding anything to the contrary set forth in this Section 5 2, Developer shall have no liability to the City by reason of any re-use of the Project Work Product on any project other than the Project

- 5.3** Visual Rights Act Waiver. Developer waives any and all rights in any work of visual art that may be provided pursuant to this Agreement, or the Project Design/Build Authorizations, that may be granted or conferred under Section 106A and Section 113 of the Copyright Act. Also, Developer represents and warrants that Developer has obtained a waiver of Section 106A and Section 113 of the Copyright Act as necessary from any party within its control or performing services for it in connection with the Development.

ARTICLE 6

DEFAULT AND REMEDIES

- 6.1** Default The following shall constitute an “Event of Default” by Developer hereunder: (a) Developer fails to make a monetary payment required hereunder and such failure remains uncured after ten (10) days written notice, (b) a non-monetary breach by Developer of its obligations hereunder remains uncured ten (10) days after written notice, provided that if such non-monetary default is not of the nature that can be cured within a ten (10) day period, Developer shall have an additional reasonable period of time within which to cure such default not to exceed thirty (30) days after the initial written notice provided a cure is commenced within the ten (10) day period and thereafter prosecuted with due diligence to completion [the cure period provided in this clause (b) shall not be applicable to an Event of Default under clause (h) below]; (c) any representation, warranty, or certification given by Developer herein, in any Project Design/Build Authorization relating to the Development, in Developer’s response to the Request, or in any certification, affidavit, draw request, or other similar statement given by or on behalf of Developer in respect of any of the foregoing, proves to be untrue in any material respect; (d) an Event of Default by

Developer occurs under any Project Design/Build Authorization relating to the Development; (e) a custodian, trustee or receiver is appointed for Developer, or Developer becomes insolvent or bankrupt, is generally not paying its debts as they become due or makes an assignment for the benefit of creditors, or Developer causes or suffers an order for relief to be entered with respect to it under applicable Federal bankruptcy law or applies for or consents to the appointment of a custodian, trustee or receiver for Developer, or bankruptcy, reorganization, arrangement or insolvency proceedings, or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors, are instituted by or against Developer, and, in the case of any such proceedings instituted against Developer (but not instituted by it), either such proceedings shall remain undismissed or unstayed for a period of sixty (60) days or any such adjudication or relief sought occurs; or Developer shall take any action to authorize any of the actions set forth in this subsection; (f) a change in control or majority ownership of Developer shall occur after the date hereof that has not been approved by the City; (g) a MBE/WBE Default shall occur; or (h) a failure to finally complete, by April 30, 2005, any Multi-Unit Project for which a Project Design/Build Authorization has theretofore been issued (absent an Excusable Event of Delay). Upon the occurrence of an Event of Default, the City may, at its option, terminate this Agreement, which termination will not automatically terminate any outstanding Project Design/Build Authorizations unless the City so elects. A termination of this Agreement or any Project Design/Build Authorization shall not terminate the liability of Developer to pay amounts that have previously accrued, indemnity obligations, or other obligations which by their nature would reasonably survive a termination, or in any way limit the City's right to exercise all other rights and remedies available at law or in equity.

- 6.2 Completion.** Upon the occurrence of a default by Developer under this Agreement or any Project Design/Build Authorization issued in connection herewith, whether or not an Event of Default has occurred, and in addition to all other rights and remedies conferred under this Agreement or available at law or in equity, the City may, either directly or through others, succeed to the rights of Developer under any contract or agreement, including any Subcontract, collaterally assigned by Developer to the City as required under Section 1.9.12 hereof. The City may use Developer's Subcontractors, material and equipment to complete the services to be performed by Developer under this Agreement. The sole obligation accepted by the City under such Subcontract shall be to pay for work satisfactorily performed after the date of the assignment. Developer shall cause each Subcontractor to execute any assignment, agreement, or other documents which may be necessary, in the sole opinion of the City, to evidence or effect compliance with this provision. Developer must promptly deliver such documents upon the City's request therefor. In the case of any Subcontract so assigned and accepted by the City, Developer shall remain liable to the Subcontractor for any payment already invoiced to and paid by the City, and for any claim, suit, or cause of action based on or the result of any error, omission, negligence, fraud, willful or intentionally tortuous conduct, or any other act or omission, or breach of Developer, its officers, employees, agents, or other Subcontractors, arising prior to the date of assignment to the City, when such claim, suit, or cause of action has not been discharged, disposed of, or otherwise resolved as

of that date Developer must notify its Subcontractors of these requirements and obtain their written consent thereto.

6.3 Withdrawal of Multi-Unit Homes/Multi-Unit Projects. If (a) any Multi-Unit Project is or was the subject of a Project Design/Build Authorization as to which an Event of Default has occurred thereunder or hereunder by Developer or which has otherwise been terminated, or (b) the City determines, in its sole and absolute discretion for any reason, including, but not limited to, the City's inability or failure to seek, pursue or obtain the Conventional Financing or the expiration of the HomeStart Bonds, that all or certain Multi-Unit Projects or Multi-Unit Homes, as the case may be, shall no longer be subject to this Agreement, or the Development shall not proceed for any reason, including, but not limited to, the City's inability or failure to seek, pursue or obtain the Conventional Financing or the expiration of the HomeStart Bonds, then such Multi-Unit Projects or Multi-Unit Homes, as the case may be, shall, at the City's option, no longer be permitted to be marketed or constructed by Developer pursuant to this Agreement, and Developer shall have no rights to damages, lost profits or other claims in connection therewith, including any right to receive any portion of the Developer's Fee not previously paid, except as otherwise provided in Section 16.1 of the applicable Project Design/Build Authorization. In such event, the City shall have the right to take any action it deems appropriate in connection with all or fewer than all of such Multi-Unit Homes or Multi-Unit Projects, as the case may be, including allowing another developer to develop, sell, or construct Multi-Unit Homes or Multi-Unit Projects, as the case may be, on any portion of the Subject Property withdrawn from this Agreement. The remedies provided in this Section 6.3 shall not limit Developer's liability for breaching any obligations set forth in this Agreement or in any Project Design/Build Authorization.

6.4 Remedies Upon the occurrence of a default by Developer, whether or not an Event of Default has occurred, the City may exercise all rights and remedies conferred under this Agreement or available at law or in equity. No remedy under the terms of this Agreement is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power nor shall it be construed to be a waiver of any default or acquiescence therein, and every such right and power may be exercised from time to time as often as may be deemed expedient. The City shall be entitled to receive its costs, attorney's fees, and other expenses in enforcing its rights in connection with this Agreement.

ARTICLE 7

GENERAL PROVISIONS

7.1 Representations, Warranties and Covenants Developer represents, warrants and covenants as of the date hereof and throughout the term of this Agreement:

- (a) Developer has the financial resources, is solvent, and is sufficiently experienced, licensed (to the extent required) and competent to perform this Agreement; the material facts stated or shown in any papers submitted or referred to in connection with this Agreement, and any subsequent additions thereto, are true in all material respects; and Developer has full power and authority, and has all approvals necessary, to execute and perform this Agreement, and this Agreement is a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms, subject to bankruptcy, equitable principles and laws affecting creditors rights generally.
- (b) Developer has disclosed, or will disclose, to the Project Broker, Architect/Engineer, Lead Contractor, all Subcontractors and the bonding company which will issue the Performance and Payment Bond (as said terms are defined in this Agreement and Exhibit 1.1.19 hereto), and will disclose to each Proposed Purchaser, that (i) the HomeStart Bonds will expire on the HomeStart Expiration Date and the City is under no obligation and will not at any time be obligated to obtain, or seek, an extension of the HomeStart Expiration Date or make GO Bond Proceeds or any other source of funds available for the Development after the HomeStart Expiration Date; and (ii) the City has the right, in its sole and exclusive discretion, to terminate this Agreement on the HomeStart Expiration Date without liability on the part of the City, financial or otherwise, to Developer.
- (c) Developer is appropriately licensed under Illinois law to perform the services required under this Agreement and will perform no services for which a professional license is required by law and for which Developer is not appropriately licensed.
- (d) Developer has carefully examined and analyzed the provisions and requirements of this Agreement as of the date of its execution, has inspected the Subject Property, and has satisfied itself from its own investigations as to the general nature of the things needed for the performance of this Agreement.
- (e) The Development and performance within the Milestones in accordance with the provisions and requirements of this Agreement are feasible.
- (f) Developer will cause twenty percent (20%) of the Multi-Unit Homes to be constructed pursuant to this Agreement, i.e. fourteen (14) Multi-Unit Homes based upon a total of seventy-two (72) Multi-Unit Homes, to meet affordability criteria established by the City in its sole discretion in conformity with the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74 4-1 et seq., which affordability criteria may include a requirement that the Developer sell such Multi-Unit Homes to income-qualified buyers at prices that are affordable to persons earning no more than eighty percent (80%) of the area median income, with recapture provisions as described in Section 1 5.4 hereof. For purposes of this Section 7 1(f), a Multi-Unit Home is “affordable” if it is sold at a purchase price at a level such that a family (assuming a family size calculated on the basis

of 1.5 persons per bedroom in the applicable Multi-Unit Home) making the maximum allowable income (i.e., 80% of area median income) as adjusted for family size would need to devote no more than 30% of its monthly income towards its monthly housing costs (assuming financing of the purchase price through a 30-year fixed rate mortgage, at then-prevailing rates, for 70% of the purchase price, and a down payment of 30% of the purchase price)

- (g) Developer will construct and finally complete by April 30, 2005, subject to extension on account Excusable Event of Delay, or by extension granted by the City with the approval of the Bank Group, which neither the City nor the Bank Group shall be required to approve or grant, all Multi-Unit Projects (if any) and the Site Preparation Project for which Project Design/Build Authorizations have been executed by the City on or before December 6, 2004.
- (h) No officer, public official, agent or employee of the City has a financial interest directly or indirectly in this Agreement or the compensation to be paid hereunder, or will have such an interest.
- (i) Except only for those representations, statements or promises expressly contained in this Agreement, no representation, statement or promise, oral or in writing, of any kind whatsoever by the City, its, officers, public officials, agents, or employees has induced Developer to enter into this Agreement or has been relied upon by Developer, including any referring to the meaning, correctness, suitability, or completeness of any provisions or requirements of this Agreement, the nature, existence or location of materials, structures, obstructions, utilities or conditions, surface or subsurface, which may be encountered at or on the Subject Property or any portion thereof, the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Agreement; the general or local conditions which may in any way affect this Agreement or its performance, the price of performing work under this Agreement, or any other matters, whether similar to or different from those referred to immediately above, having any connection with this Agreement, the negotiation thereof, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith
- (j) Neither Developer nor any Affiliate of Developer appears on any of the following lists maintained by the Office of Foreign Assets Control of the U S Department of the Treasury, the Bureau of Industry and Security of the U S Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

Affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled

by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

- (k) Developer was given ample opportunity and time, and was hereby requested by the City to review thoroughly all documents forming or relating to this Agreement, prior to execution of this Agreement

Developer shall provide to the City evidence of its authority to do business in the State of Illinois, including without limitation, certificates of good standing or of registration with the Office of the Secretary of State of Illinois.

- 7.2 **Counterparts.** This Agreement may be comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.
- 7.3 **Modifications.** No modifications or changes to this Agreement, or any part thereof, shall be valid unless in writing and signed by the authorized representatives of parties hereto, or their respective successors and assigns
- 7.4 **Applicable Laws.** Developer shall comply, and shall cause the Development and all Persons under its control to comply, with all laws, ordinances, rules, regulations and lawful orders of all Federal, State, County and municipal governmental agencies and authorities having jurisdiction over the Development, now existing or hereinafter in effect. Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included herein, and if, through mistake or otherwise, any such provision is not so inserted or is not correctly inserted, or is inserted but is subsequently amended, then upon the application of either party, this Agreement shall forthwith be amended to make such insertion or to incorporate such amendment. In no event, however, shall the failure to so insert such provision into this Agreement prevent the enforcement of same or relieve Developer of its obligation to fully comply with the same
- 7.5 **Jurisdiction** Developer hereby irrevocably submits itself to the original jurisdiction of the Circuit Court of Cook County, Illinois, with regard to any controversy in any way relating to the award, execution or performance of this Agreement. Developer agrees that service of process on Developer may be made, at the option of the City, either by registered or certified mail addressed to the Project Manager, by registered or certified mail addressed to any office actually maintained by Developer, or by personal delivery on the Project Manager or any officer, director, partner, member, manager, or agent of Developer
- 7.6 **Interpretation** Any and all headings of this Agreement are for convenience of reference only and do not modify, define or limit the provisions thereof. Words of

any gender shall be deemed and construed to include correlative words of the other gender. Words importing the singular number shall include the plural number and vice versa, unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms hereof and thereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties, and obligations of such person or entity in accordance with the terms of this Agreement. This Agreement shall not be construed more favorably for either party even though the other party or its representatives or attorneys may have drafted this Agreement. Where this Agreement provides for approval or consent of a party, such approval or consent may be granted or withheld in such party's sole and exclusive discretion, except to the extent otherwise specifically provided herein.

7.7 **Severability** If any provision of this Agreement shall be held to be inoperative or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any other provision hereof or any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such holding shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case, or of rendering any other provision herein contained inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof, and they shall otherwise remain in full force and effect.

7.8 **Publicity** All Project Work Product, including reports, data, findings or information in any form prepared, assembled or encountered by or provided by or for Developer under this Agreement are property of the City and confidential, except as specifically authorized in this Agreement or as may be required by law. Developer must not allow the Project Work Product to be made available to any other individual or organization without the prior written consent of the City, unless required by law. Further, all documents and other information provided to Developer by the City are confidential and must not be made available to any other individual or organization without the prior written consent of the City, unless required by law. Developer must implement such measures as may be necessary to ensure that its staff and its Subcontractors are bound by the confidentiality provisions in this Agreement. Developer shall not, and shall not permit any Person under its control to, issue publicity news releases or grant press interviews relating to the Development without the express prior written consent of the City. In addition, except as may be required by law during or after performance of this Agreement, Developer shall not, and shall not permit any Person under its control to, disseminate any information of any nature whatsoever regarding the Development without the express prior written consent of the City. In the event Developer, or any Person under its control, is presented with a request for documents or subpoena duces tecum regarding any records, data, or documents which may be in their possession by reason of, or in connection with, this Agreement, Developer shall immediately give notice to the City and its Corporation Counsel with the understanding that the City shall have the opportunity to contest such process by any lawful means available to it before such records or documents

are submitted to a court or other third parties; provided, however, Developer shall not be obligated to withhold the delivery beyond the time ordered by the court or administrative agency unless the request or subpoena is quashed, or the time to produce is otherwise extended

- 7.9** **No Waiver of Legal Rights or Liability for Approval.** No approval given by the City under this Agreement shall operate to relieve Developer from any of its responsibilities under this Agreement or be deemed as an approval by the City of any deviation contained in any items or document subject to such approval from, or of any failure by Developer to comply with, any requirement of this Agreement, unless such deviation or failure has been specifically approved by a modification to this Agreement. No approval given by the City under this Agreement shall be deemed a representation by the City that such approved matters comply with applicable laws, are otherwise properly designed for their intended use, or in the case of approvals of certain Persons to supply labor or material, that such Persons are qualified, and the City shall have no liability in respect of such approved matters.
- 7.10** **Right to Apply Monies Due.** The City shall have the right to deduct from any funds and monies due or thereafter to become due to Developer any amounts due to the City from Developer as a result of any losses, expenses, damages, obligations or liabilities for which the Developer is responsible pursuant to the provisions of this Agreement or the Project Design/Build Authorizations, including any liquidated damages, and apply said funds deducted toward the satisfaction of such losses, expenses, damages, obligations or liabilities. It is expressly provided, however, that the deduction and application of such funds shall not in any event relieve Developer of its responsibility or liability for any amounts owed in addition to those amounts deducted by the City. Developer shall in no event have the right to offset any amounts that may be owed to Developer by the City against amounts owed by Developer to the City.
- 7.11** **Governing Law** This Agreement shall be governed as to performance, interpretation and jurisdiction by the laws of the State of Illinois.
- 7.12** **Notices and Approvals.** All notices and approvals given or required under this Agreement shall be in writing and shall be delivered personally, by overnight courier or by placing in the United States mail, first class and certified, return receipt requested, with postage prepaid and addressed.

If to the City, to the City's Representative, at the following address:

Mr. John G. Markowski
Commissioner of the Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604

Copy to: Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690
Attention: Martin F. Babbo

provided that copies of notices pertaining to a failure on the part of the City to perform in accordance with the terms of this Agreement shall be sent to the City's Representative and to the following, and to such other Persons as may be designated in writing by the City:

Copy to: Department of Law
City Hall, Room 600
121 N. LaSalle St.
Chicago, IL 60602
Attention: Corporation Counsel

If to Developer, to the Project Manager, at the following address

Mr. Robert Gawronski
Vice President
Senior Lifestyle Corporation
111 E Wacker Drive, 22nd Floor
Chicago, Illinois 60601

provided that copies of notices pertaining to a failure on the part of Developer to perform in accordance with the terms of this Agreement shall be sent to the Project Manager and to the following, and to such other Persons as may be designated in writing by Developer.

Copy to: Richard Klawiter, Esq.
Piper Rudnick
203 N LaSalle, Suite 1800
Chicago, Illinois 60601

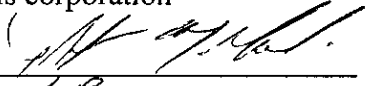
Notices delivered by mail shall be deemed effective three (3) business days after mailing in accordance with this Section. Notices delivered personally or by overnight courier shall be deemed effective upon receipt or refusal. Either party may change its addresses for purposes hereof by notice given to the other party as herein provided.

- 7.13 **Successors and Assigns.** No part of this Agreement shall be assigned by Developer, nor shall any funds or claims due or to become due under this Agreement be transferred or assigned (other than to the sureties issuing the Performance and Payment Bond, to the extent required as a condition to the issuance thereof), without the prior written consent of the City, which consent may be withheld in the City's sole discretion, but in no case shall such consent relieve Developer from its obligations or change the terms of this Agreement. The transfer or assignment of any funds which shall be due or become due to Developer under this Agreement, either in whole or part, or any interest therein, without prior approval, shall cause the annulment of said transfer or assignment. Developer shall not delegate any of its duties hereunder except as provided in this Agreement. In the event that the City approves the transfer or assignment of this Agreement, this Agreement shall become binding on successors and assigns and this requirement shall survive completion or termination of this Agreement. The City may assign this Agreement, including collateral assignments to or as requested by the Bank.
- 7.14 **Calendar Days.** Except as otherwise provided, the term "day(s)" shall be construed as meaning calendar day(s).
- 7.15 **Whole Agreement** This Agreement and the Exhibits and Appendices hereto (including provisions in the Project Design/ Project Design/Build Authorization Terms and Conditions, such as Sections 3 4 3, 3 12, 3 16 and 3 19.1, and Articles 5 and 9 thereof, which, by their terms, are specifically made applicable to this Agreement and incorporated herein) shall constitute the entire agreement between the parties as to the matters provided for herein, and no inducements, considerations, promises, or other references shall be implied in this Agreement that are not expressly addressed herein.
- 7.16 **Agreement Date** This Agreement shall be effective on the date that it is executed by both the City and Developer.
- 7.17 **Submission.** The submission of this Agreement by the City to Developer for examination and/or execution shall not in any manner bind the City, and no obligation on the City shall arise unless and until this Agreement has been approved by the City; provided, however, the execution and delivery by Developer to the City or its representatives shall constitute an irrevocable offer by Developer to enter into the transactions contemplated by this Agreement on the terms and conditions contained herein, which offer may not be revoked for sixty (60) days after such delivery.
- 7.18 **Limitation of Liability** THE OBLIGATIONS AND LIABILITY OF THE CITY UNDER OR IN CONNECTION WITH THIS AGREEMENT DO NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR A GENERAL OBLIGATION OF THE CITY, BUT SHALL BE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM (1) THE REVENUES AND INCOME DERIVED FROM THE SPECIFIC "PROJECT ACCOUNT" ESTABLISHED WITHIN THE PROGRAM FUND PURSUANT TO THE INDENTURE AND RELATING SOLELY TO THE "DEVELOPMENT" AS DEFINED HEREIN, AND

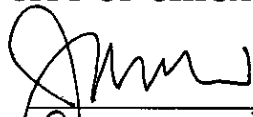
THEN SOLELY TO THE EXTENT SHOWN ON THE MARKETING & GENERAL COST BUDGET AND EXHIBIT 1-H HERETO; AND (2) BOND PROCEEDS (TO THE EXTENT APPROPRIATED AND MADE AVAILABLE FOR THE PROJECT BY THE CITY IN ITS SOLE AND ABSOLUTE DISCRETION, AND THEN SOLELY TO THE EXTENT SHOWN ON THE MARKETING & GENERAL COST BUDGET AND EXHIBIT 1-H HERETO. THE OBLIGATIONS AND LIABILITY OF THE CITY WITH RESPECT TO SERVICES OR WORK PERFORMED UNDER ANY PROJECT DESIGN/BUILD AUTHORIZATION SHALL BE AS FURTHER PROVIDED AND AS FURTHER LIMITED BY THE TERMS OF THE PROJECT DESIGN/BUILD AUTHORIZATION APPLICABLE TO SUCH SERVICES OR WORK THE TERM "INDENTURE" AS USED HEREIN MEANS THAT CERTAIN TRUST INDENTURE DATED AS OF MARCH 1, 2000 FROM THE CITY OF CHICAGO TO THE BANK OF NEW YORK AS NOW OR HEREAFTER AMENDED OR SUPPLEMENTED DEVELOPER SHALL NOT HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR, UNDER ANY THEORY OF RECOVERY, INCLUDING BUT NOT LIMITED TO CONTRACT, TORT, OR EQUITABLE THEORY, COMPEL USE OF OR HAVE RECOURSE AGAINST ANY OTHER REVENUE OR FUNDS OF THE CITY, TO PAY ANY AMOUNT DUE UNDER OR IN CONNECTION WITH THIS AGREEMENT OR COVER ANY LIABILITY OF THE CITY UNDER OR IN CONNECTION WITH THIS AGREEMENT NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF ANY AMOUNT DUE UNDER OR IN CONNECTION WITH THIS AGREEMENT AGAINST ANY PAST, PRESENT OR FUTURE OFFICER, PUBLIC OFFICIAL, EMPLOYEE OR AGENT OF THE CITY, OR ANY OFFICER, PUBLIC OFFICIAL, EMPLOYEE OR AGENT OF ANY SUCCESSOR ENTITY, EITHER DIRECTLY OR THROUGH THE CITY OR ANY SUCCESSOR ENTITY, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICER, PUBLIC OFFICIAL, EMPLOYEE, OR AGENT IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION OF THIS AGREEMENT

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written

SENIOR LIFESTYLE CORPORATION,
an Illinois corporation

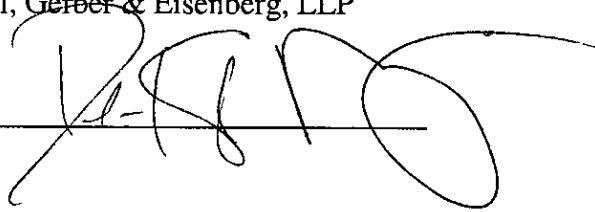
By 
its VP

THE CITY OF CHICAGO

By 
its Commissioner, Dept of Housing

Approved as to form and legality except for tax and other bond-related matters

Neal, Gerber & Eisenberg, LLP

By 

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ISSUE FOR PERMIT 07/07/03

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		SHEET TITLE		TITLE SHEET		SHEET NO.:	
		SCALE: N.T.S.				A0.1	
07/07/03		ISSUE FOR PERMIT		DRAWN BY: JB			
NO.	DATE	DESCRIPTION		JOB NO.:	00 595	DATE:	07/07/03
REVISIONS							

Exhibit 1-B

Marketing Plan **The Condominiums of Autumn Green at Midway Village**

The Condominiums of Autumn Green at Midway Village (the "Project") will consist of 72 for-sale condominium units in six 12-unit buildings to be located at 6710-6810 S Keating Avenue in Chicago, Illinois. The sales and marketing of the Project's units will be the responsibility of Senior Lifestyle Corporation ("SLC") as detailed in its Development Management Agreement with the Project's owner, the City of Chicago. To assist with the sales and marketing efforts, SLC intends to enter into an agreement with Coldwell Banker Residential Real Estate, Inc. (The Matt Garrison Group), or some other properly licensed and otherwise qualified real estate broker and/or salesperson. As compensation for its efforts, SLC and its marketing subcontractor(s), shall be entitled to sales commissions equal to 5 0% of the gross sale price (including upgrades) of each unit or as otherwise approved by the Project owner and its lenders

This Marketing Plan is intended to provide a brief overview of SLC's initial plan for marketing the Project and is subject to reasonable changes throughout the sales period

Marketing Outline

The sales and marketing program for the Project will be divided into three segments or time frames pre-construction, product ready and post-construction

1. Pre-Construction

The pre-construction marketing effort will center around building interest.

Public Relations	Articles highlighting the Company's achievements and the upcoming project and ground breaking event
Advertising.	Display advertising in major news sources
Signage	Billboard and directional capitalizing on the high visibility of this location
Outreach	Seek out area senior groups through churches and community for presentations
	The neighboring Midway Baseball Association holds opportunities to co-host events welcoming Seniors to the area
Broker participation	Contact area realty offices with information

In-House Sales	Working with blueprints, take advance reservations leading to contracts and sustain interest through the options and upgrade program
Staffing	The on-site sales office will initially be staffed a minimum of six days per week from the hours of 11am to 4pm with qualified individuals holding a current Illinois real estate sales license
Special Events	Pre-construction Preview Party for prospects (examples) Ground Breaking Ceremony Meet the Builder Appropriate Holiday Events

2. Product Ready

The product ready time frame will center around the displaying the physical property and models to sustain momentum

Public Relations	Articles in major news sources highlights the follow events: Grand Opening, Success of Early Sales and Amenities
Advertising	Display advertising in major various news sources including local newspapers
Mailers	Sent to current prospect base developed from pre-construction program May also include additional age and income targeted mailings
Signage.	Modify signage from preconstruction to Grand Opening verbiage
In-House Sales	Continue to take prospective purchasers to contract and follow- up through phone calls and newsletters. Possibly, offer a gift certificate to be used in the design center if they refer a new customer who purchases
Outreach:	Continue to work with area realty offices and community groups with invitations for realtor brunches
Special Events	Grand Opening of Models Meet Your New Neighbor

An Evening with the Interior Designer

3. Post-Construction

The product post-construction time frame is designed to successfully contract and close any remaining, spec units and models

Public Relations:	This segment of the project's life will rely strongly on newspaper articles heralding the success of the Project and personal endorsements of current residents
Advertising:	Less emphasis on display advertising and more use of smaller classified ads
Mailers	Send to current prospect base highlighting models close-out and targeting specific remaining units
Signage.	Modify billboard signage to reflect percentage sold
Special Events	Condominium Turn Over Dinner Model Furnishing Sale

Additional marketing ideas may be added and/or deleted as conditions indicate.

The proposed marketing and sales budget (exclusive of sales commissions) is attached as Exhibit A

Projections

Based on past new construction experience, one can assume an average absorption rate of four to five units per month. Two peak periods should yield a significantly higher number of sales. The first will be when area residents see the construction beginning. The second will coincide with the opening of the model. Total sell out time would be 20 months.

To achieve the optimum success our goal with the above outlined program will be to generate approximately 14 new prospects per week and a returning for second visit list of 7 prospects per week. The larger the number of returning for second visits grows the faster the sales velocity will be. The best ratio is for the repeat visits to reach 50% or better of the first time visits.

Sales activity and traffic information will be gathered and analyzed on a weekly basis to make immediate adjustments to the advertising and marketing. Further, an active follow-up program will assist us in areas of concern for our prospective purchasers that need to be addressed. Active

listening is surely the key to generating and fostering a good relationship with the purchaser. We endeavor to understand and fulfill their needs. We understand that this is a very, very big life decision for most people and want to create a warm and inviting atmosphere where they can sit, relax comfortably and have their questions answered. Those happy purchasers will in turn refer friends and neighbors with the same requirements.

Ongoing events will keep purchasers involved in the forming of this new community and help in achieving a level of comfort. Getting groups together in a non-threatening setting for various events will help purchasers and their families see that others are also making the same decision and they are not alone. Some of the events might be a holiday cookies exchange, an outing to watch a baseball game at the local ball field, complete with hot dogs and sodas, meet the builder and a bar-b-que.

As soon as possible in the purchasing process, we like to get individuals involved in interior selections. This is the point that we watch people establishing possession and mental ownership. After they choose their new carpeting, appliances and finishes, the terminology changes from your condo or the condo to "My Condo". We encourage them to bring friends and family to show them their beautiful selections. Their excitement is contagious and will generate additional sales activity.

Our goal through activities like the ones outlined here are designed to generate qualified traffic, convert prospects into purchasers and finally into satisfied homeowners.

The current pricing schedule and sales projections are attached as Exhibits B and C respectively.

Exhibit A to Marketing Plan

**The Condominiums of Autumn Green at Midway Village
Marketing Budget (excluding sales commissions)**

Display Advertising	96,400
Models	50,000
Trailer / Office	10,000
Brochure	20,000
Public Relations	40,000
Printing	5,000
Utilities	2,500
Cleaning	11,000
Trailer Costs (including set-up)	50,000
Bilboard Signage	3,500
Site Signage	1,000
Directional Signage	500
Displays & Collateral Materials	12,000
Community Outreach	6,000
Mailers	16,000
	<hr/>
SUBTOTAL	323,900

Exhibit B to Marketing Plan

The Condominiums of Autumn Green at Midway Village

Proposed Unit Pricing

11/23/2004

Note The 14 Affordable (1BR) Units are noted in bold/italic lettering and are to be sold to households =< 80% AMI

Building #1 6710 S. Keating

Unit #	Style	Description	Sq Ft	Parking	Storage	Base Rate
101	C1	2 Bed / 2 Bath S	1,242	101	101	\$196,500
102	B1	1 Bed / 1 Bath S	867	102	102	\$155,500
103	C2	2 Bed / 2 Bath Bay S	1,281	103	103	\$197,500
104	C1	2 Bed / 2 Bath S	1,242	104	104	\$193,500
201	C3	2 Bed / 2 Bath	1,173	201	201	\$195,500
202	B2	2 Bed / 1 Bath Bay	1,120	202	202	\$179,500
203	C4	2 Bed / 2 Bath Bay	1,231	203	203	\$199,500
204	C3	2 Bed / 2 Bath	1,202	204	204	\$198,500
205	C3	2 Bed / 2 Bath	1,161	205	205	\$198,500
206	C4	2 Bed / 2 Bath Bay	1,229	206	206	\$199,900
207	C5	2 Bed / 2 Bath Bay	1,218	207	207	\$199,900
208	C3	2 Bed / 2 Bath	1,170	208	208	\$198,500

Building #2 6720 S. Keating

Unit #	Style	Description	Sq Ft	Parking	Storage	Base Rate
101	C1	2 Bed / 2 Bath S	1,242	101	101	\$198,900
102	B1	1 Bed / 1 Bath S	867	102	102	\$159,900
103	C2	2 Bed / 2 Bath Bay S	1,281	103	103	\$199,900
104	C1	2 Bed / 2 Bath S	1,242	104	104	\$198,900
201	C3	2 Bed / 2 Bath	1,173	201	201	\$200,900
202	B2	2 Bed / 1 Bath Bay	1,120	202	202	\$195,900
203	C4	2 Bed / 2 Bath Bay	1,231	203	203	\$200,900
204	C3	2 Bed / 2 Bath	1,202	204	204	\$197,500
205	C3	2 Bed / 2 Bath	1,161	205	205	\$200,900
206	C4	2 Bed / 2 Bath Bay	1,229	206	206	\$201,900
207	C5	2 Bed / 2 Bath Bay	1,218	207	207	\$201,900
208	C3	2 Bed / 2 Bath	1,170	208	208	\$199,900

Building #3 6800 S. Keating

Unit #	Style	Description	Sq Ft	Parking	Storage	Base Rate
101	B	1 Bed / 1 Bath S	861	101	101	\$163,900
102	B1	1 Bed / 1 Bath Bay S	867	102	102	\$169,900
103	C2	2 Bed / 2 Bath Bay S	1,250	103	103	\$202,900
104	B	1 Bed / 1 Bath S	871	104	104	\$171,900
201	B3	1 Bed / 1 Bath	800	201	201	\$161,900
202	B2	2 Bed / 1 Bath Bay	1,114	202	202	\$192,900
203	C4	2 Bed / 2 Bath Bay	1,198	203	203	\$201,900
204	B3	1 Bed / 1 Bath	806	204	204	\$161,900
205	B3	1 Bed / 1 Bath	795	205	205	\$158,900
206	C4	2 Bed / 2 Bath Bay	1,188	206	206	\$202,900
207	C5	2 Bed / 2 Bath Bay	1,225	207	207	\$203,900

Exhibit B to Marketing Plan

208	B3	1 Bed / 1 Bath	843	208	208	\$164,900
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Building #4 6810 S. Keating

Unit #	Style	Description	Sq Ft	Parking	Storage	Base Rate
101	B	1 Bed / 1 Bath S	861	101	101	\$165,900
102	B1	1 Bed / 1 Bath Bay S	867	102	102	\$172,900
103	C2	2 Bed / 2 Bath Bay S	1,250	103	103	\$207,900
104	B	1 Bed / 1 Bath S	871	104	104	\$171,900
201	B3	1 Bed / 1 Bath	800	201	201	\$163,900
202	B2	2 Bed / 1 Bath Bay	1,114	202	202	\$196,900
203	C4	2 Bed / 2 Bath Bay	1,198	203	203	\$206,900
204	B3	1 Bed / 1 Bath	806	204	204	\$156,900
205	B3	1 Bed / 1 Bath	795	205	205	\$155,900
206	C4	2 Bed / 2 Bath Bay	1,188	206	206	\$207,900
207	C5	2 Bed / 2 Bath Bay	1,225	207	207	\$208,900
208	B3	1 Bed / 1 Bath	843	208	208	\$166,900

Building #5 6740 S. Keating

Unit #	Style	Description	Sq Ft	Parking	Storage	Base Rate
101	C1	2 Bed / 2 Bath S	1,242	101	101	\$205,900
102	B1	1 Bed / 1 Bath S	867	102	102	\$166,900
103	C2	2 Bed / 2 Bath Bay S	1,281	103	103	\$206,900
104	C1	2 Bed / 2 Bath S	1,242	104	104	\$205,900
201	C3	2 Bed / 2 Bath	1,173	201	201	\$209,900
202	B2	2 Bed / 1 Bath Bay	1,120	202	202	\$201,900
203	C4	2 Bed / 2 Bath Bay	1,231	203	203	\$210,900
204	C3	2 Bed / 2 Bath	1,202	204	204	\$209,900
205	C3	2 Bed / 2 Bath	1,161	205	205	\$208,900
206	C4	2 Bed / 2 Bath Bay	1,229	206	206	\$211,900
207	C5	2 Bed / 2 Bath Bay	1,218	207	207	\$211,900
208	C3	2 Bed / 2 Bath	1,170	208	208	\$209,900

Building #6 6730 S. Keating

Unit #	Style	Description	Sq Ft	Parking	Storage	Base Rate
101	C1	2 Bed / 2 Bath S	1,242	101	101	\$211,900
102	B1	1 Bed / 1 Bath S	867	102	102	\$166,900
103	C2	2 Bed / 2 Bath Bay S	1,281	103	103	\$214,900
104	C1	2 Bed / 2 Bath S	1,242	104	104	\$212,900
201	C3	2 Bed / 2 Bath	1,173	201	201	\$210,900
202	B2	2 Bed / 1 Bath Bay	1,120	202	202	\$205,900
203	C4	2 Bed / 2 Bath Bay	1,231	203	203	\$211,900
204	C3	2 Bed / 2 Bath	1,202	204	204	\$211,900
205	C3	2 Bed / 2 Bath	1,161	205	205	\$210,900
206	C4	2 Bed / 2 Bath Bay	1,229	206	206	\$212,900
207	C5	2 Bed / 2 Bath Bay	1,218	207	207	\$211,900
208	C3	2 Bed / 2 Bath	1,170	208	208	\$209,900

Total sq ft 80,180

Total Sales \$13,964,400

Exhibit C to Marketing Plan
Development Schedule
The Condominiums of Autumn Green

		<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>	<u>Month 7</u>	<u>Month 8</u>	<u>Month 9</u>	<u>Month 10</u>
Building One	<i>Contracts (Number)</i>	4	4	2	2						
6710 S Keating	<i>Substantial Completion</i>						X				
	<i>Closings (Number)</i>						5	5	2		
Building Two	<i>Contracts (Number)</i>					5	6	1			
6720 S Keating	<i>Substantial Completion</i>										
	<i>Closings (Number)</i>										
Building Three	<i>Contracts (Number)</i>						5	4	3		
6800 S Keating	<i>Substantial Completion</i>										
	<i>Closings (Number)</i>										
Building Four	<i>Contracts (Number)</i>							2	4	4	2
6810 S Keating	<i>Substantial Completion</i>										
	<i>Closings (Number)</i>										
Building Five	<i>Contracts (Number)</i>								3	3	4
6740 S Keating	<i>Substantial Completion</i>										
	<i>Closings (Number)</i>										
Building Six	<i>Contracts (Number)</i>									2	4
6730 S Keating	<i>Substantial Completion</i>										
	<i>Closings (Number)</i>										
	Total Contracts	4	8	10	12	17	23	29	35	42	51
	Total Closings	0	0	0	0	0	5	10	12	12	12

Exhibit C to Marketing Plan
Development Schedule
The Condominiums of Autumn Green

		<u>Month 11</u>	<u>Month 12</u>	<u>Month 13</u>	<u>Month 14</u>	<u>Month 15</u>	<u>Month 16</u>	<u>Month 17</u>	<u>Month 18</u>	<u>Month 19</u>	<u>Month 20</u>
Building One 6710 S. Keating	<i>Contracts (Number)</i> <i>Substantial Completion</i> <i>Closings (Number)</i>										
Building Two 6720 S. Keating	<i>Contracts (Number)</i> <i>Substantial Completion</i> <i>Closings (Number)</i>	X 4	5	3	0						
Building Three 6800 S. Keating	<i>Contracts (Number)</i> <i>Substantial Completion</i> <i>Closings (Number)</i>		X 3	5	3	1	0				
Building Four 6810 S. Keating	<i>Contracts (Number)</i> <i>Substantial Completion</i> <i>Closings (Number)</i>	0		X 4	3	3	2	0			
Building Five 6740 S. Keating	<i>Contracts (Number)</i> <i>Substantial Completion</i> <i>Closings (Number)</i>	2	0	0	X 2	2	4	4	0		
Building Six 6730 S. Keating	<i>Contracts (Number)</i> <i>Substantial Completion</i> <i>Closings (Number)</i>	1	1	1	1	1 X 2	1 2	1 2	3	2	1
Total Contracts		57	63	69	72	72	72	72	72	72	72
Total Closings		12	16	24	36	44	51	59	66	70	72

Exhibit 1-C

Development Schedule

The Condominiums of Autumn Green

Site Work	<i>Construction Commencement</i> <i>Substantial Completion</i>	11/29/2004			8/3/2005		
Building One 6710 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	11/29/2004 11/29/2004			8/3/2005		9/1/2005
Building Two 6720 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>		4/15/2005 4/15/2005				9/27/2005 12/26/2005
Building Three 6800 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>		5/16/2005 5/16/2005				10/28/2005
Building Four 6810 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>			8/15/2005 8/15/2005			11/27/2005 2/25/2006
Building Five 6740 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>			7/15/2005 7/15/2005			12/27/2005 3/27/2006
Building Six 6730 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>			8/15/2005 8/15/2005			1/27/2006 4/27/2006

* If agreed to by City and Lender the marketing model unit in may be held off the market until the end of the entire (i.e. all six buildings) sales period

Exhibit 1-D**Marketing and General Cost Budget (Excludes Developer Fee and Hard Construction Costs)
The Condominiums of Autumn Green****Marketing**

Display Advertising	\$	96,400
Models	\$	50,000
Trailer / Office Operating	\$	10,000
Brochure	\$	20,000
Public Relations	\$	40,000
Printing	\$	5,000
Utilities	\$	2,500
Cleaning	\$	11,000
Bilboard Signage	\$	3,500
Site Signage	\$	1,000
Directional Signage	\$	500
Displays & Collateral Materials	\$	12,000
Community Outreach	\$	6,000
Mailers	\$	16,000
Trailer Set-up and Furnishing	\$	50,000

Marketing Total: \$ 323,900

General Costs (Excluding Maximum Cost Schedule Items Shown on Exhibit 1-E)

Sales Commissions	\$685,000
TIF Expenses	\$25,000
Architectural Fees	\$425,000
Environmental	\$7,000
Appraisal/Market Study	\$25,000
Budget & Draw Review	\$9,000
Legal Fees	\$160,000
Survey	\$49,100
Insurance	\$60,000
Other Soft Costs	\$96,720
Environmental Insurance	\$35,000
Title and Recording Fees (also in Unit Closings)	\$60,650
Bank Administration Fee	\$98,000
Capitalized Interest Cost	\$481,800
Payment and Performance Bonds	\$75,400
City Administration Fee	\$98,000
Contingency	\$247,000
Owner's Assessments	\$23,760
Utility Hook-up / Other Permits & Fees	\$67,400

General Costs Total \$ 2,728,830

Total Marketing and General Costs \$ 3,052,730

Exhibit 1-E
Maximum Cost Schedules
The Condominiums of Autumn Green

	<u>Site Improvements</u>	<u>Building #1 6710 S Keating</u>	<u>Building #2 6720 S Keating</u>	<u>Building #3 6800 S Keating</u>	<u>Building #4 6810 S Keating</u>	<u>Building #5 6740 S Keating</u>	<u>Building #6 6730 S Keating</u>
Construction Costs							
General Contract (hard costs)	\$861,937	\$1,676,410	\$1,676,410	\$1,391,212	\$1,391,212	\$1,676,410	\$1,676,410
Site Improvements (see Ex 1-G)	<u>See GC line Above</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Construction Total	\$861,937	\$1,676,410	\$1,676,410	\$1,391,212	\$1,391,212	\$1,676,410	\$1,676,410
Other Development Costs							
Legal Fees (Unit Closings)	0	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600
Home Warranty	0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Developer Fee	0	\$179,167	\$179,167	\$179,167	\$179,167	\$179,167	\$179,167
Contingency (see Gen Dev Budget)	<u>0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Development Total	0	\$191,767	\$191,767	\$191,767	\$191,767	\$191,767	\$191,767
Total Maximum Cost *	\$861,937	\$1,868,177	\$1,868,177	\$1,582,978	\$1,582,978	\$1,868,177	\$1,868,177

* Cost savings from each completed phase may be reallocated to the Total Maximum Cost of the other phases of construction

Exhibit 1-F
General Development Budget
The Condominiums of Autumn Green

<u>Project Budget</u>	<u>FINAL BUDGET</u>	<u>OWNER CONTRIBUTION (EQUITY/SALES PROCEEDS)</u>	<u>TIF/G O SUBSIDY (EQUITY)</u>	<u>BOND PROCEEDS/ LOAN</u>	<u>REVENUE / COST PER UNIT</u>	<u>REVENUE / COST PER SQ FT</u>	<u>COMMENTS</u>
COSTS							
Land Related							
Acquisition Cost	\$0	\$0	\$0	\$0	\$0	\$0 00	Land = \$750,000 (cash and other considerations) Outside of DMA
TIF Expenses	\$25,000	\$0	\$25,000	\$0	\$347	\$0 23	S B Friedman 1/2 of \$50,000
Total Land Related Costs	\$25,000	\$0	\$25,000	\$0	\$347	\$0 00	
Construction							
General Contract (Excluding Site Improvements)	\$9,488,063	\$0	\$398,242	\$9,089,821	\$131,779	\$87 01	
FF&E (outside of GMP)	\$0	\$0	\$0	\$0	\$0	\$0 00	
Construction Contingency (Incl In GMP)	\$0	\$0	\$0	\$0	\$0	\$0 00	
Construction Management	\$0	\$0	\$0	\$0	\$0	\$0 00	
Site improvements	\$861,937	\$0	\$861,937	\$0	\$11,971	\$7 90	
Construction Total	\$10,350,000	\$0	\$1,260,179	\$9,089,821	\$143,760	\$94 91	
Marketing							
Trailer	\$50,000	\$0	\$0	\$50,000	\$694	\$0 46	
Other	\$273,900	\$0	\$0	\$273,900	\$3,804	\$2 51	Brochures, Advertising, etc
Sales Commissions	\$685,000	\$685,000	\$0	\$0	\$9,514	\$6 28	Approximately 5% of Sales Price
Marketing Total	\$1,008,900	\$685,000	\$0	\$323,900	\$14,013	\$9 25	
Development Costs							
Architectural Fees	\$425,000	\$0	\$105,750	\$319,250	\$5,903	\$3 90	
Environmental	\$7,000	\$0	\$7,000	\$0	\$97	\$0 06	
Appraisal/Market Study	\$25,000	\$0	\$25,000	\$0	\$347	\$0 23	
Budget & Draw Review	\$9,000	\$0	\$0	\$8,000	\$125	\$0 08	Estimate of Lender Imposed expenses
Legal Fees (Unit Closings)	\$39,600	\$39,600	\$0	\$0	\$550	\$0 36	Est. \$550/sale for misc closing costs at sales
Legal Fees	\$160,000	\$0	\$17,791	\$142,209	\$2,222	\$1 47	
Survey	\$49,100	\$21,600	\$0	\$27,500	\$882	\$0 45	
Insurance	\$60,000	\$0	\$0	\$60,000	\$833	\$0 55	
Home Warranty	\$36,000	\$36,000	\$0	\$0	\$500	\$0 33	
Other Soft Costs	\$96,720	\$0	\$25,000	\$71,720	\$1,343	\$0 89	Soil Test, Land Use, Assessments Other Fees /Insurance, Design Services
Environmental Insurance	\$35,000	\$0	\$0	\$35,000			
Title and Recording Fees (also in Unit Closings)	\$60,650	\$60,650	\$0	\$0	\$842	\$0 56	For Initial Title & Recording Work Legal Fees (Unit Closings) Includes an allowance for individual unit sales
Bank Administration Fee	\$98,000	\$98,000	\$0	\$0	\$1,361	\$0 90	
Capitalized Interest Cost	\$481,800	\$0	\$0	\$481,800	\$6,692	\$4 42	Interest during construction & sales period
Developer Fee	\$1,075,000	\$910,000	\$165,000	\$0	\$14,931	\$9 86	
Payment and Performance Bonds	\$75,400	\$0	\$0	\$75,400	\$1,047	\$0 69	
City Administration Fee	\$98,000	\$98,000	\$0	\$0	\$1,361	\$0 90	
Contingency	\$247,000	\$0	\$0	\$247,000	\$3,431	\$2 27	
Owner's Assessments	\$23,760	\$23,760	\$0	\$0	\$330	\$0 22	
Utility Hook-up / Other Permits & Fees	\$67,400	\$0	\$0	\$67,400	\$936	\$0 62	
Development Total	\$3,189,430	\$1,287,810	\$346,541	\$1,536,279	\$43,634	\$28 74	
Total Marketing and Development Costs	\$4,178,330	\$1,972,810	\$346,541	\$1,860,179	\$68,032	\$38 32	
TOTAL COSTS	\$14,563,330	\$1,972,810	\$1,630,720	\$10,860,000	\$201,643	\$132 91	

Exhibit 1-G
General Site Preparation Budget
The Condominiums of Autumn Green

<u>Trade Item (from GMP)</u>	
Excavation	\$116,884
Asphalt Paving	\$69,016
Landscaping	\$120,000
Site Concrete	\$108,640
Fence	\$91,034
Site Utilities	\$263,840
General Conditions	\$50,858
Insurances	\$7,528
General Contractor Fee	<u>\$34,137</u>
Total Site Preparation	\$861,937

Exhibit 1-H

THE CONDOMINIUMS OF AUTUMN GREEN AT MIDWAY VILLAGE
INVOICE SUMMARY - DRAW #1

Date 11/18/04

Budget Item	Vendor	Total Amount Requested	SLC Reimb Amount	SL Midway Reimb Amount	Balance of Amount To Vendor	Invoices	SLC Payments	SL Midway, LLC Payments	
Land TIF Expenses	S B Friedman & Company 221 North LaSalle Street, Ste 820 Chicago IL 60601	21 001 71	21 001 71	0 00	0 00	6 052 25	6,052 25		
						4 378 70	4 378 70		
						10 570 76	10 570 76		
Marketing - Trailer	Alexander Realty 6777 North Milwaukee Niles IL 60714	5,254 50	2 605 58	2 648 92	0 00	1,234 72	2 605 58	1 234 72	
						2 605 58		254 00	254 00
						44 74			44 74
						31 79			31 79
						335 89			335 89
						747 78			747 78
	Commonwealth Edison Company 7601 South Lawndale Chicago IL 60652	2,348 92	1 444 68	904 24	0 00	0 00	564 90		564 90
							272 49		272 49
							13 33		13 33
							13 33		13 33
							13 33		13 33
							26 86		26 86
	Creative Decorating 8538 West Summertale Chicago IL 60656-1449	400 00	400 00	0 00	0 00	0 00	1 04		
							147 49	1 04	147 49
	Illinois Department of Revenue P O Box 19045 Springfield, IL 62794-9045	100 00	100 00	0 00	0 00	0 00	1296 15	1,296 15	
	Industrial Carpet 2381 United Lane Elk Grove Village IL 60007	1,578 50	1 578 50	0 00	0 00	0 00	1,578 50	1,578 50	
	Intell-Space Modular Bldg P O Box 898, 1540 State Road 31 Oswego IL 60543	27 643 60	18 315 60	9,328 00	0 00	0 00	10 946 34	10 946 34	
							2,200 00	2,200 00	
							5,169 26	5,169 26	
							1 166 00		1 166 00
							1 166 00		1,166 00
							1,166 00		1 166 00
							1,166 00		1,166 00
							1,166 00		1,166 00
							1,166 00		1,166 00
1,166 00								1,166 00	
1,166 00								1 166 00	
Midwest Glass Co One MTH Plaza Hillside IL 60162	496 00	496 00	0 00	0 00	0 00	174 00	174 00		
						322 00	322 00		
National Maintenance Company	450 00	0 00	450 00	0 00	0 00	300 00		300 00	
						150 00		150 00	
Service Sanitation Inc 135 Blaine Street Gary IN 46406	1,514 28	0 00	1 514 28	0 00	0 00	200 00		200 00	
						200 00		200 00	
						200 00		200 00	
						114 28		114 28	
						200 00		200 00	
						200 00		200 00	
						200 00		200 00	
Tattle Tale Portable 954 North High Street Columbus, OH 43201	1 326 17	1,326 17	0 00	0 00	0 00	1,326 17	1,326 17		
WP Electrical Co 6328 North Keeler Chicago IL 60646	1,520 00	0 00	1,520 00	0 00	0 00	1 520 00		1 520 00	
Marketing - Other	M-K-T-G Marketing Solutions 215 W Superior Suite 200 Chicago, Illinois 60610	8,508 88	0 00	8,508 88	0 00	1,207 50		1,207 50	
						2 100 00		2 100 00	
						281 25		281 25	
						3,550 00		3 550 00	
						1,056 71		1,056 71	
Events Chicago 6185 N Canfield Avenue Chicago, Illinois 60631	2,634 87	0 00	2,634 87	0 00	0 00	652 75		652 75	
						1 982 12		1 982 12	
Halo Branded Solutions 135 S LaSalle St. Dept.5144 Chicago IL 60674	269 18	0 00	269 18	0 00	0 00	269 18		269 18	

THE CONDOMINIUMS OF AUTUMN GREEN AT MIDWAY VILLAGE
 INVOICE SUMMARY - DRAW #1

Date 11/18/04

Budget Item	Vendor	Total Amount Requested	SLC Reimb Amount	SL Midway Reimb Amount	Balance of Amount To Vendor	Invoices	SLC Payments	SL Midway, LLC - Payments
	HR Jewelers 5 S Wabash Suite 1000 Chicago Illinois 60603	175 00	0 00	0 00	175 00	175 00		
	Kinko's P O Box 672085 Dallas Texas 75267-2085	719 93	0 00	135 85	584 08	135 85 584 08		135 85
	Quantum Graphics 5317 W 123rd Place Alsip Illinois 60803	6 027 00	0 00	6 027 00	0 00	6 027 00		6 027 00
	SGA Stephan Gordan Associates	1,953 80	0 00	0 00	1 953 80	1,378 80 575 00		
	Market Share Inc 2001 Tarob Court Milpitas CA 95035	3,571 34	3 571 34	0 00	0 00	3,571 34	3 571 34	
	Taylor Johnson Associates 180 N Wacker Drive, Suite 200 Chicago Illinois 60606	10 000 00	0 00	0 00	10 000 00	10 000 00		
	Lettermen Signage Inc 19912 S Wolf Rd Mokena IL 60448	3 741 00	0 00	0 00	3 741 00	275 00 3 466 00		
Architectural Fees	Mann Gin, Dublin & Frazier, Ltd 104 S Michigan Avenue Suite 200 Chicago Illinois 60603	270 000 00	0 00	0 00	270 000 00	270 000 00		
Environmental	EPS Environmental 7237 W Devon Chicago, Illinois 60631	700 00	700 00	0 00	0 00	700 00	700 00	
	Shiner Associates Inc One North Franklin Street Chicago Illinois 60606	5 002 69	5 002 69	0 00	0 00	5 002 69	5 002 69	
Appraisal/Market Study	BSA Marketing Resources 1003 Cumberland Court Buffalo Grove Illinois 60089	7,119 85	7 119 85	0 00	0 00	5 119 85 2,000 00	5 119 85 2 000 00	
	Claritas P O Box 7247-7380 Philadelphia PA 19170-7380	62 50	62 50	0 00	0 00	62 50	62 50	
	Harris Trust & Savings Bank re Mkt Study/Appraisal 111 W Monroe 2nd Floor East Chicago Illinois 60603	10,553 34	0 00	0 00	10,553 34	2 553 34 8,000 00		
Budget & Draw Review	Harris Trust & Savings Bank 111 W Monroe, 2nd Floor East Chicago, Illinois 60603	3,500 00	0 00	0 00	3 500 00	3 500 00		
Legal Fees	D'Ancona & Pfiaum 111 E. Wacker Dr, Suite 2800 Chicago IL 60601	1,417 57	1 417 57	0 00	0 00	300 00 800 00 275 00 17 50 25 07	300 00 800 00 275 00 17 50 25 07	
	Kinko's P O Box 672085 Dallas Texas 75267-2085	879 26	0 00	0 00	879 26	879.26		
	Law office of Nancy Schiavone 54 W Hubbard St., Suite 205 Chicago, IL 60610	14,000 00	0 00	0 00	14,000 00	14 000 00		
	Piper Rudnick 203 N LaSalle Street Suite 1800 Chicago Illinois 60601	8,634 45	0 00	0 00	8 634 45	6 459 52 1,664 25 510 68		
	Neal, Gerber & Eisenberg LLP Two North LaSalle Street Chicago, Illinois 60602	26 400 00	0 00	0 00	26 400 00	26 400 00		
	Chapman and Cutler 111 W Monroe Street Chicago Illinois 60603	32 000 00	0 00	0 00	32 000 00	32 000 00		
	Shetsky & Froelich 444 N Michigan Avenue Chicago IL 60611	15 936 62	15 936 62	0 00	0 00	334 75 253 00 161 00 207 00 345 00 668 75	334 75 253 00 161 00 207 00 345 00 668 75	

THE CONDOMINIUMS OF AUTUMN GREEN AT MIDWAY VILLAGE
 INVOICE SUMMARY - DRAW #1

Date 11/18/04

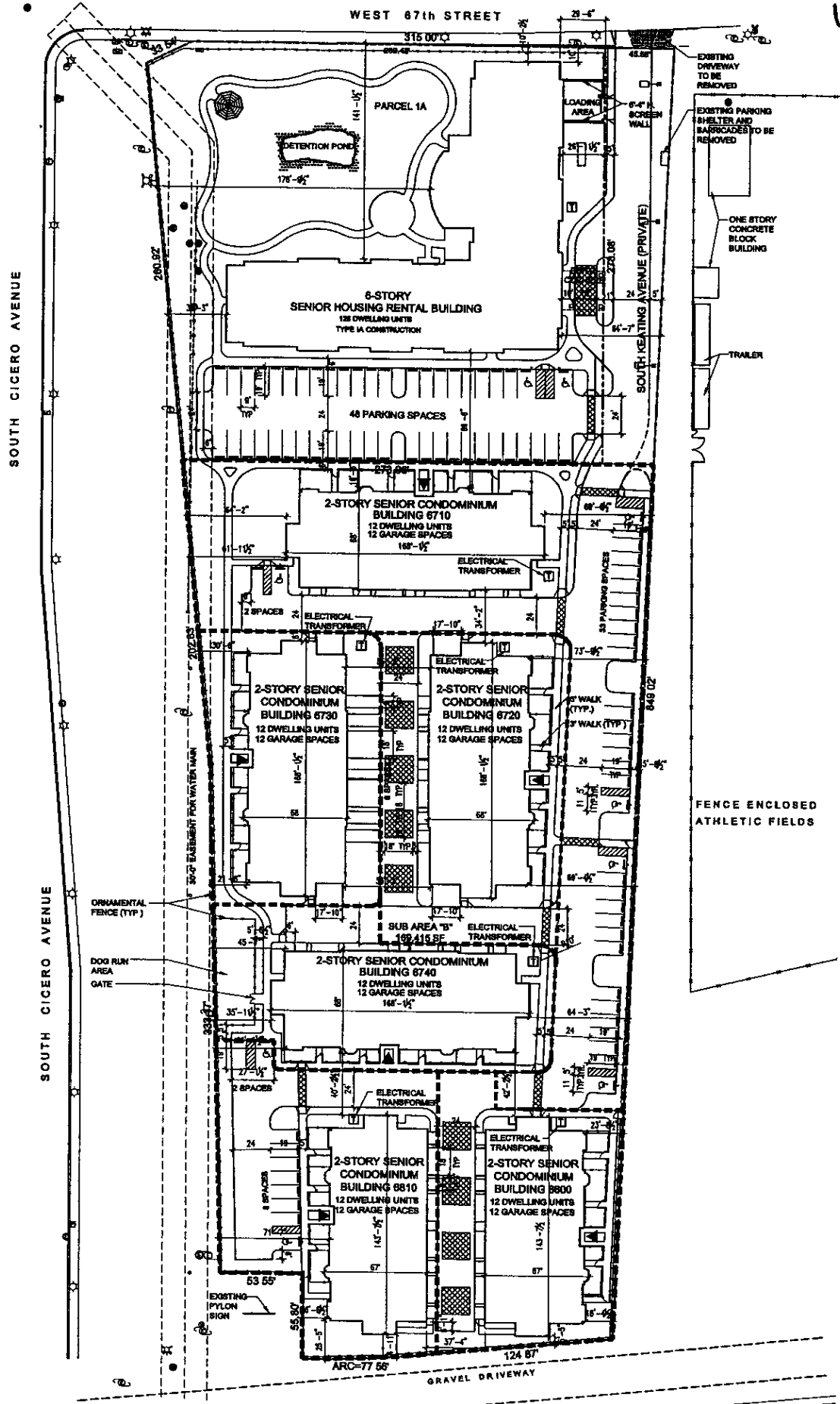
Budget Item	Vendor	Total Amount Requested	SLC Reimb Amount	SL Midway Reimb Amount	Balance of Amount To Vendor	Invoices	SLC Payments	SL Midway, LLC - Payments
						1,285 37	1 285 37	
						6,198 80	6,198 80	
						1 196 35	1 196 35	
						5 306 60	5 306 60	
Survey	Gremley & Biedermann Land 4505 N Elston Ave. Chicago, Illinois 60630	4,875 00	4 875 00	0 00	0 00	142 50	142 50	
						1 225 00	1,225 00	
						125 00	125 00	
						750 00	750 00	
						207 50	207 50	
						600 00	600 00	
						750 00	750 00	
						725 00	725 00	
						350 00	350 00	
Insurance	Schwartz Insurance One South Wacker Suite 3600 Chicago, IL 60606	14 313 00	0 00	0 00	14,313 00	7 055 00		
						7,258 00		
Other Soft Costs	2-10 Home Buyers Warranty 1417 W Arkansas Lane Arlington Texas 76013-6271	395 00	0 00	395 00	0 00	395 00		395 00
	Falkanger Residential Design 888 S Andrews Ave Suite 300 Fort Lauderdale, FL 33316	580 00	580 00	0 00	0 00	580 00	580 00	
	Fischer Mechanical 1820 Beach Street Broadview IL 60155	900 00	900 00	0 00	0 00	900 00	900 00	
	Klausen & Associates 3239 Arnold Lane Northbrook IL 60062	5,277 75	5 277 75	0 00	0 00	5 277 75	5,277 75	
	Merilee Elliott The Merchandise Mart, Suite 4-106B Chicago, Illinois 60654	5,687 50	5 687 50	0 00	0 00	2 187 50	2 187 50	
						3 500 00	3 500 00	
	Okrent Associates 310 S Michigan Avenue Suite 2900 Chicago Illinois 60604	3 272.32	3 272 32	0 00	0 00	788 11	788 11	
						399 21	399.21	
						2 105 00	2 105 00	
	STS Consultants Ltd 35014 Eagle Way Chicago, Illinois 60678	5 737 50	5,415 00	0 00	322 50	5,415 00	5,415 00	
						322 50		
	Vigilio & Associates 24069 N Ecko Lake Road Hawthorne Woods IL 60047	9 001 67	0 00	4 420 79	4 580 88	8 841 57		4,340 74
						180 10		80 05
Environmental Insurance	Harris Trust & Savings Bank 111 W Monroe, 2nd Floor East Chicago Illinois 60603	35,000 00	0 00	0 00	35,000 00	35,000 00		
Developer Fee	Senior Lifestyle Corporation	5 972 64	0 00	0 00	5,972 64	5,972 64		
Utility Hook-up / Other Permits & Fees	City of Chicago 121 N LaSalle Chicago IL 60603	30 740 80	18,100 00	0 00	12 640 80	18 050 00	18 050 00	
						25 00	25 00	
						25 00	25 00	
						12,640 80		
		619,194 14	125 186 38	38 757 01	455,250 75	619,194 14	125,186 38	38 757 01

EXHIBIT 1.1.5

Developer's Fee

Developer shall be entitled to a maximum Developer's Fee for the entire Development of \$1,075,000, which shall be payable solely at the times and upon satisfaction of the conditions set forth in this Exhibit 1.1.5 and the other provisions of this Agreement and the applicable Project Design/Build Authorizations. A Developer's Fee of \$14,931.56 shall be paid with respect to each Multi-Unit Home for which a Unit Sales Agreement has been executed by the City, and consented to by the Bank. Such Developer's Fee shall be payable as follows:

- (i) ten percent (10%), e.g., \$1,493.16, when the City has executed, and the Bank has consented to, the execution of a Project Design/Build Authorization for the Multi-Unit Building in which said Multi-Unit Home will be located, subject to retainage which will be released as provided in the Project Design/Build Authorization for the Multi-Unit Project in question;
- (ii) twenty percent (20%), e.g., \$2,986.31, when the City issues, and the Bank has consented to, the issuance of a Certificate of Substantial Completion for such Multi-Unit Home, subject to retainage which will be released as provided in the Project Design/Build Authorization for the Multi-Unit Project in question; and
- (iii) the remaining seventy percent (70%), e.g., \$10,452.09, at the time of closing of the sale of such Multi-Unit Home to the Proposed Purchaser of such Multi-Unit Home.



① VICINITY PLAN
1"=40'-0"



EXHIBIT 1.1.16-B

LEGAL DESCRIPTION OF PROJECT SITE AND SITE PLAN

The Project will involve the real property commonly known as 6710-6810 South Cicero Avenue, Chicago, Illinois, and legally described as follows

That part of the northwest quarter of the southwest quarter of Section 22, Township 38 North, Range 13, East of the Third Principal Meridian, described as follows, (the west line of aforesaid southwest quarter being "due north" for the following courses) commencing at the northwest corner of aforesaid southwest quarter of Section 22, thence south 89 degrees, 42 minutes, 40 seconds east in the north line of aforesaid southwest quarter, a distance of 120 0 feet to a point; thence south 00 degrees, 17 minutes, 20 seconds west in a line a distance of 58.0 feet to the point of beginning; thence north 63 degrees, 43 minutes, 20 seconds east in a line a distance of 33 54 feet to a point 43 0 feet south of, at right angles, to a point in the aforesaid north line of the southwest quarter that is 150 00 feet east of the aforesaid northwest corner of the southwest quarter; thence south 89 degrees, 42 minutes, 40 seconds east in a line parallel with the aforesaid north line of the southwest quarter, a distance of 315 0 feet, thence south 02 degrees, 27minutes, 58 seconds west 849 02 feet; thence south 84 degrees, 25 minutes, 00 seconds west 124 87 feet to a point of tangency with a curved line; thence southwesterly in the last mentioned curved line, convex to the south having a radius of 670 00 feet whose chord length is 77 52 feet and bears south 87 degrees, 44 minutes, 00 seconds west an arc distance of 77 56 feet, thence due north in a line a distance of 55 80 feet to a point, thence due west in a line a distance of 53.55 feet to a point in the easterly line of Cicero Avenue, thence north 1 degree, 22 minutes, 01 second west in a line a distance of 333 17 feet to a point that is 165 0 feet east at right angles, to a point in said west line of the southwest quarter that is 519 94 feet south of the northwest corner of said southwest quarter, thence north 05 degrees, 36 minutes, 25 seconds west in a line a distance of 463 55 feet to the point of beginning (except from said property taken as a tract, that part lying west and north of the following described lines beginning at a point on the north line of said tract 45 58 feet north 89 degrees, 42 minutes, 40 seconds west of the northeast corner of said tract; thence south 00 degrees, 00 minutes, 25 seconds west 273.08 feet, thence south 89 degrees, 59 minutes, 01 second west 273 96 feet to the west line of said tract) all in Cook County, Illinois

A Site Plan showing the Project Site is attached hereto

HOME BUYERS WARRANTY CORPORATION
Warranty Administration Office
2675 S Abilene Street
Aurora, CO 80014
720 747 6000



Home Buyers Warranty®



2-10 HOME BUYERS WARRANTY® BOOKLET
WORKMANSHIP/SYSTEMS AND STRUCTURAL
LIMITED WARRANTY COVERAGE

Dear Homebuyer(s)

Congratulations! You are purchasing a Home with express limited warranty protection provided by a Builder enrolled in the Home Buyers Warranty Program of Home Buyers Warranty Corporation. The specific warranty coverage(s) selected by Your Builder is stated on Your Certificate of Warranty Coverage.

This Warranty Booklet and Your Certificate of Warranty Coverage contain Your Builder's Limited Warranty to You. Your Builder warrants that, within the limitations described in these two documents, Your Home will be free from qualifying structural defects, and if so indicated on Your Certificate of Warranty Coverage, will also be free from defects in workmanship and systems.

Your Builder's Limited Warranty will be insured by the insurance company stated on the Certificate of Warranty Coverage which You will receive after Your home is enrolled in the Home Buyers Warranty (HBWSM) Program.

This Warranty is a contract between You and Your Builder. HBW is the warranty administrator, but NOT a warrantor under the contract. Your Builder's Warranty Insurer is not a party to this Warranty Contract, but Your Builder's Warranty insurer has agreed to perform certain tasks and undertake certain obligations which are described in this Warranty Booklet.

Congratulations and enjoy Your new Home!

Home Buyers Warranty Corporation

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SECTION I DEFINITIONS

You and Your means the person(s) who holds title to the Home **Home** means the dwelling and garage **Builder** means the Builder as listed on the Certificate of Warranty Coverage **Warranty Insurer** is the Builder's Warranty Insurer as stated on your Certificate of Warranty Coverage **Effective Date of Warranty** is the earliest of Your closing date, first title transfer or the date You or anyone else first occupied the Home if that was before closing. **Condominium** means a multifamily residential dwelling, each title holder of which has 100% ownership of his own unit and partial ownership of common elements such as hallways, walkways, elevators, and owns the land wholly in common **Certificate of Warranty Coverage** is the document which provides proof of warranty coverage for a certain address and the coverage provided by Your Builder **Limited Warranty** means the express warranty described by the terms and provisions contained within this Warranty Booklet **HBW** is the warranty administration company which performs certain tasks for the Warranty Insurer **Warranty Term** is the period during which a warranted defect must first occur in order to be covered hereunder, and is that period which begins on the Effective Date of Warranty as defined above and ends one, two, four, or ten years thereafter **Warranty Limit** is the sum stated in the Certificate of Warranty Coverage **Defect** is defined in each instance as a failure to meet the Construction Performance Guidelines for workmanship and systems as set forth in this Agreement **Builder Application for Home Enrollment** means the Builder Application for Home Enrollment Form signed by You and Your Builder before the Home was enrolled in the HBW Program A **Common Element** is any portion of the structure in which enrolled units are located which is defined as a common element in either the state condominium law or in your Declaration of Condominium. **Common Element Stairways and Landings** are defined as areas that are maintained by the Homeowners Association or someone other than the owner/occupant of the particular unit **Structural Defect** is defined as actual physical damage to the designated load-bearing elements of the Home caused by failure of such load-bearing elements which affects their load-bearing functions to the extent that your Home becomes unsafe, unsanitary, or otherwise unlivable The Structural Defect warranty coverage is the same as that contained in regulations of the Department of Housing and Urban Development in effect at the time of the issuance of this Limited Warranty This is coverage for catastrophic failure of load-bearing elements of your Home. The designated load-bearing elements that are covered under this Structural Defect warranty are

- 1 Footings and Foundation systems;
- 2 Beams,
- 3 Girders,
- 4 Lintels,
- 5 Columns,
- 6 Walls and partitions;
- 7 Roof framing systems; and
- 8 Floor systems

Examples of elements not covered by this Structural Defect warranty which are deemed NOT to have Structural Defect potential are

- 1 Non-load-bearing partitions and walls,
- 2 Wall tile or paper, etc.;
- 3 Plaster, laths, or drywall;
- 4 Flooring and sub-flooring material,
- 5 Brick, stucco, stone or veneer,
- 6 Any type of exterior siding,
- 7 Roof shingles, roof tiles, sheathing, and tar paper,
- 8 Heating, cooling, ventilating, plumbing, electrical and mechanical systems,
- 9 Appliances, fixtures or items of equipment,
- 10 Doors, trim, cabinets, hardware, insulation, paint, stains, and
- 11 Basement and other interior floating, ground-supported concrete slabs

**SECTION II EXPRESS LIMITED WARRANTY: ONE YEAR WORKMANSHIP AND TWO YEAR SYSTEMS WARRANTY*
(*Indiana residents. Please read ADDENDUM at the end of Section VIII)**

If Your Certificate of Warranty Coverage indicates Your Builder is providing One and Two Year Coverage,* for one year from the Effective Date of Warranty your Builder warrants that your Home will be free from Defects in materials and workmanship as defined in the Construction Performance Guidelines in Section IX, and for two years from the Effective Date of Warranty, Your Builder warrants that Your Home will be free from Defects in the electrical, plumbing, and mechanical distribution systems to the extent stated in the same Construction Performance Guidelines

SECTION III REPORTING A ONE YEAR WORKMANSHIP OR TWO YEAR SYSTEMS DEFECT

If You believe Your Home has a Defect that is covered under Your Builder's One Year Workmanship or Two Year Systems Warranty, which occurred during the applicable Warranty Term, You must first write a letter to your Builder listing the specific warranty Defect(s) and the date the Defect(s) occurred Do this as soon as You notice a warranty problem and before your Warranty Term expires Your Builder should repair or, at its option, pay to You the cost of repair of these Defects. Once You have written to Your Builder, if repairs are not made within sixty (60) days, complete the following steps (unless your Warranty Term will expire within those sixty (60) days, in which case, take these steps immediately)

- 1 Complete the Notice of Complaint Form ("Notice"), which is found at the back of this Warranty Booklet
- 2 Send one copy of the Notice to Your Builder
- 3 Send one copy of the Notice, a copy of Your Certificate of Warranty Coverage, and a copy of all correspondence between You and Your Builder about the warranty Defect(s) in question to

HBW Warranty Administration Office
2675 S Abilene Street,
Aurora, CO 80014

We recommend You send the Notice to Your Builder and HBW by certified mail, *return receipt requested*

All three of these steps must be completed Sending a notice to Your Builder does not constitute notice to HBW Also, we cannot initiate work on Your warranty problem with a phone call, we must have written documentation In addition, the Builder and HBW must receive Your Notice of Complaint no later than thirty (30) days after the expiration of the warranty to which the Notice relates Complaints filed after that date will be denied

Once Your Notice has been received by HBW, HBW will again notify Your Builder of Your complaint If your Builder and You are unable to resolve your differences either by yourselves or with HBW's help, You must arbitrate Your dispute (see SECTION VII, ARBITRATION) HBW will provide a form to request arbitration after You have followed the above procedure

If HBW determines that Your Builder cannot or will not participate in arbitration or perform the arbitration award, HBW will so notify You You must then forward to HBW at the above address a onetime \$250.00 claim deductible (check payable to the Warranty Insurer stated on your Certificate of Warranty Coverage) At that point, HBW will forward the check and Your file to the Warranty Insurer, and the Warranty Insurer will adjust the claim

In summary: All Notices of Complaint must be received by Your Builder and by HBW Warranty Administration not later than thirty (30) days after the expiration of the warranty coverage to which the Notice relates. Warranty coverage for any Notice of Complaint received after this date will be denied, and neither Your Builder nor the Warranty Insurer will have any obligation to You for the repair of these Defects. The time limits are a material condition of Your Limited Warranty.

WHAT TO DO IN THE CASE OF AN EMERGENCY An emergency is a condition that if not immediately repaired may cause danger to the Home or its occupants

If you have a One Year Workmanship or Two Year Systems Warranty coverage emergency, You must contact Your Builder immediately If You are unable to contact Your Builder for emergency authorization, 1) You must make minimal repairs until authorization for more extensive repairs has been approved by Your Builder, 2) You must take action in order that further damage can be mitigated, and 3) You must report the emergency to the Builder on the next business day

If you have a Ten Year Structural Defect Warranty coverage emergency, You must contact the HBW Warranty Administration Office at (720) 747-6000 in order to receive authorization for any emergency repairs. If You are unable to contact the HBW Warranty Administration Office 1) You must make minimal repairs until authorization for more extensive repairs has been approved, 2) You must take action in order that further damage can be mitigated, and 3) You must report the emergency to HBW Warranty Administration on the next business day.

Any unauthorized repairs will not be reimbursed unless You have followed the above procedures.

SECTION IV EXPRESS LIMITED WARRANTY: TEN YEAR STRUCTURAL DEFECT WARRANTY

For ten years from the Effective Date of Warranty your Builder warrants your Home against a Structural Defect. A Structural Defect is defined in Section I.

SECTION V REPORTING A STRUCTURAL DEFECT

If You believe Your Home has a Structural Defect that is covered under Your Structural Defect Warranty as defined in Section I:

1. Complete the Notice of Claim Form ("Form"), which is found at the back of this Warranty Booklet. Fully describe the nature of the Structural Defect and the date You first noticed it on the Form.
2. For each claim, send a copy of Your completed Form, a copy of Your Certificate of Warranty Coverage, and a \$250 claim investigation fee payable to the Warranty Insurer stated on Your Certificate of Warranty Coverage to:

HBW Warranty Administration Office
2675 S Abilene Street
Aurora, CO 80014

We recommend You send the Notice by certified mail, *return receipt requested*.

Except for authorized emergency repairs as defined in Section III of this Warranty Booklet, do not repair a claimed Structural Defect before the Warranty Insurer has an opportunity to inspect the Structural Defect. Doing so will make it impossible for the Warranty Insurer to assess whether the Structural Defect was covered by Your warranty, whether the repair You performed or caused to be performed was cost-effective, necessary, and effective, and whether the Warranty Insurer would have been able to solve the problem in another way. As a result, the Warranty Insurer will not accept coverage for any claimed Structural Defect that You have had repaired or replaced. In addition, You will not be reimbursed for any costs or expenses You undertake to investigate a Structural Defect such as, but not limited to, engineering and attorney's fees.

SECTION VI EXPRESS LIMITED WARRANTY: CONDOMINIUM

If Your Certificate of Warranty Coverage indicates Your Builder is providing One Year Workmanship and Two Year Systems Warranty, Your Builder is providing the same coverage for Your unit as described above under EXPRESS LIMITED WARRANTY ONE YEAR WORKMANSHIP AND TWO YEAR SYSTEMS WARRANTY in addition to the EXPRESS LIMITED WARRANTY TEN YEAR STRUCTURAL DEFECT WARRANTY.

All exterior Common Element Stairways and Landings contained within multifamily projects will be covered only if they are constructed entirely of metal and/or concrete materials. All other exterior Common Element Stairways and Landings contained within multifamily projects are excluded from coverage unless Your Builder paid an additional fee for coverage of wood materials used in exterior Common Element Stairways and Landings as reflected on your Certificate of Warranty Coverage. EXCEPTION: In the Las Vegas and Phoenix metropolitan areas no additional fee is required for coverage of wood materials used on exterior Common Element Stairways and Landings. Common Elements and Common Element Stairways and Landings are defined in Section I.

Reporting a One Year Workmanship, Two Year Systems or Structural Defect For reporting a One Year Workmanship or Two Year Systems Defect for Your unit only, follow the procedure outlined above under Reporting a One Year Workmanship or Two Year Systems Defect Your building is eligible for Common Element Defect coverage only if Your Builder enrolled all units in Your building under this One Year Workmanship and Two Year Systems Warranty Program Coverage of the Common Element begins on the date the Certificate of Occupancy was issued for the building containing Your unit and Common Element Defects must be reported within the applicable Warranty Term for Defect(s) If the Defect involves a One Year Workmanship or Two Year Systems Defect or a Structural Defect and Your Builder enrolled all units in Your building in the Home Buyers Warranty Program, then Your Condominium Association ("Association") or a representative designated by the Association must file one Notice of Complaint Form or Notice of Claim Form for each affected building The Notice of Complaint Form or Notice of Claim Form must list each unit in the building and a Certificate of Warranty Coverage must be attached for each unit of the building Under the One Year Workmanship and Two Year System Warranty coverage, the maximum claim deductible for Common Element coverage is \$250 per unit in the building or \$5000 per building, whichever is less Under the Ten Year Structural Defect Warranty coverage, the maximum claim investigation fee is \$250 per unit in the building or \$5000 per building, whichever is less If Your Home is a Condominium unit, by accepting this Limited Warranty, You agree to allow free access to, on, through or within Your unit during normal business hours (after receiving notice from your Association, Your Builder, HBW or the Warranty Insurer) so that repairs may be made to any adjacent unit or Common Element area You also agree that if emergency repairs are required (which would be the responsibility of Your Builder or the Warranty Insurer) and You cannot be contacted within a reasonable period of time, You waive such notice

SECTION VII CONDITIONS

(California and Kansas Residents: Please read ADDENDUM at the end of Section VIII)**

WAIVER OF IMPLIED WARRANTIES. You have accepted the express Limited Warranty provided in this Warranty Booklet, and all other express or implied warranties, including any oral or written statements or representations made by Your Builder or any implied warranty of habitability, merchantability or fitness, are hereby disclaimed by Your Builder and are hereby waived by You to the extent possible under the laws of Your state.**

EXCLUSIVE REMEDY AGREEMENT. Effective one year from the Effective Date of Warranty, You have waived the right to seek damages or other legal or equitable remedies from Your Builder, his subcontractors, agents, vendors, suppliers, design professionals and materialmen, under any other common law or statutory theory of liability, including but not limited to negligence and strict liability. The agreement contained in this paragraph shall be enforceable to the maximum extent permitted by the law of the state in which the Home is located, and shall be applicable to any claim thereafter made against Your Builder or any other person. Your only remedy in the event of a defect in or to Your Home or in or to the real property on which Your Home is situated is as provided to You under this express Limited Warranty. This paragraph shall not be applicable to any express written warranty provided by a manufacturer or vendor who has supplied any appliance or component for the home.**

In the event any provision of this Limited Warranty is determined to be unenforceable, that determination will not affect the validity of the remaining provisions

The aggregate obligation of Your Builder and the Warranty Insurer for all claims under this Warranty is equal to the Warranty Limit stated in the Certificate of Warranty Coverage This means that every time Your Builder or the Warranty Insurer pays a claim or pays for a repair, that payment is deducted from the Warranty Limit, and when the Warranty Limit is exhausted, You no longer have any Warranty coverage If the payment is made for the repair of a Common Element of a Condominium, the payment shall be deducted pro-rata from the Warranty Limit for each Condominium in the building

The obligations of the Warranty Insurer under this Warranty and under any insurance policy insuring the Limited Warranty shall be excess to any other valid and collectible insurance issued to You or to the Builder, whether such other insurance is primary, excess or contingent

The Warranty is not an insurance policy, a maintenance agreement or service contract. If You have a mortgage on Your Home, Your lender may insist that You have a homeowners insurance policy, and this is not it.

REPAIR The Builder or the Warranty Insurer shall have the option to repair, replace or pay You the reasonable cost of repair of any covered Defect or Structural Defect. The design, method and manner of such repair shall be within the sole discretion of the Builder, if the Builder pays for the repair, or of the Warranty Insurer, if the Warranty Insurer pays for the repair. You are responsible for any damage to any improvement, fixture or property not constructed by the Builder which is damaged by, or during the repair of, a covered Defect or Structural Defect, and You shall pay for the cost of repair of such improvement, fixture or property necessitated by the repair of a covered Defect or Structural Defect. No repair shall extend the term of the Limited Warranty as to any covered Defect or Structural Defect, including without limitation, the Defect or Structural Defect which was the subject of the repair. Before the Warranty Insurer repairs or pays for the repair of a claim, You must assign to the Warranty Insurer any rights You may have against any other person with respect to the claim. You shall do nothing to prejudice these rights of subrogation. At the time of payment for reasonable cost of repairs or repair or replacement of warranted items, You must sign and deliver to HBW a full and unconditional release of Your Builder, Warranty Insurer and HBW, in recordable form, of all legal obligations with respect to the warranted items and condition arising therefrom. The repair of a Structural Defect consists of, and is limited to: 1) repair of damage to the load-bearing portions of Your Home necessary to restore their load-bearing function, 2) repair of those non-load-bearing portions damaged by the Structural Defect and whose repair is necessary to make Your Home once again safe, sanitary, or otherwise livable, and 3) repair and cosmetic correction of only those surfaces, finishes and coverings, original with the Home, damaged by the Structural Defect or which require removal and replacement to repair the Structural Defect or to repair other damage directly attributable to the Structural Defect. Repairs are intended to restore the Home to approximately the condition just prior to the Structural Defect, but not necessarily to a like-new condition. Your Builder's and/or the Warranty Insurer's costs of designing, accomplishing, and monitoring repairs to Your Home (or payments to You or to another instead) are deducted from Your Home's Warranty Limit. Your Builder's and/or the Warranty Insurer's costs of determining the existence and/or extent of a covered Defect or Structural Defect are not deducted.

ACCESS TO YOUR HOME In order for Your Builder and Warranty Insurer to carry out their responsibilities under this Agreement, they will require access to Your Home from time to time. By signing the Builder Application For Home Enrollment or by using the coverage provided by the Limited Warranty You hereby agree to grant access to Your Builder and the Warranty Insurer and their agents and contractors during normal business hours to inspect, repair, and conduct tests in Your Home as in their judgment may be required. Failure to allow access to Your Home will void the Limited Warranty.

ARBITRATION Any and all claims, disputes and controversies by or between You, the Builder, the Warranty Insurer and/or HBW, or any combination of the foregoing, arising from or related to the Limited Warranty, to the subject Home, to any defect in or to the subject Home or the real property on which the subject Home is situated, or the sale of the subject Home by the Builder, including without limitation, any claim of breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealing, shall be submitted to arbitration by and pursuant to the rules of Construction Arbitration Services, Inc. (hereinafter "CAS") in effect at the time of the request for arbitration.

This arbitration agreement shall inure to the benefit of, and be enforceable by, the Builder's subcontractors, agents, vendors, suppliers, design professionals, insurers and any other person who You contend is responsible for any defect in or to the subject Home or the real property on which the subject Home is situated. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration agreement. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.

This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning the interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based upon waiver, estoppel or laches, shall be decided by the arbitrator.

Any party who shall commence a judicial proceeding concerning a dispute which is arbitrable hereunder shall also be deemed to be a party requesting arbitration within the meaning of this arbitration agreement.

The administrative fee charged by the arbitration service shall be borne equally between You and the Builder in the case of the Builder's One Year Workmanship and Two Year Systems Warranty coverage * The administrative fee charged by the arbitration service will be paid by the Warranty Insurer in the case of single-arbitrator Structural Defect claim arbitrations The administrative fee charged by the arbitration service will be paid by the Builder in the case of dispute between the Builder and Warranty Insurer (and/or HBW) The arbitrator's compensation fee shall be borne equally by the arbitrating parties for single-arbitrator arbitrations Additional fees may be assessed in accordance with the arbitration rules and fees

The Warranty Insurer shall have the right, in advance of the arbitration proceeding, to reinspect any Home which is the subject of the arbitration proceeding if the request for arbitration was made more than sixty (60) days following the last claim decision of the Warranty Insurer concerning such a Home

The parties expressly agree that this arbitration provision involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act, (9 U S C § 1, et seq), now in effect and as the same may from time to time be amended, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provisions of the rules of the arbitral association under which the arbitration proceeding shall be conducted, the latter rules shall govern the conduct of the proceeding

If any provision of this arbitration agreement shall be determined to be unenforceable by the arbitrator or by the court, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms

WARRANTIES TRANSFERABLE All of Your rights and obligations hereunder shall fully transfer, up to the remaining amount of the Warranty Limit, to each successor in title to the Home, including any mortgagee in possession, for the remainder of the Warranty Term and any such transfer shall in no way affect or reduce the coverage under this Limited Warranty for its unexpired term There is no limit to the number of such transfers during the Warranty Term, nor any cost hereunder as a result of such successions If You sell Your Home during the Warranty Term, You agree to give this Limited Warranty to Your buyer to inform Your buyer of warranty rights and to make it possible for the buyer to fulfill the obligations under the terms of this Limited Warranty If You are a successor owner of the Home (that is, an owner other than the original purchaser), Your Home will benefit from the coverage provided by this express Limited Warranty Likewise, You are also bound by all the terms and conditions of the Limited Warranty including but not limited to claims procedures and participation in arbitration

YOUR OBLIGATIONS The Warranty coverage pays for the cost of labor and materials to correct a covered Defect or Structural Defect Your obligation is to care for Your Home in such a way as to prevent or minimize damage to it You should be aware that all new homes go through a period of settlement and movement During this period, Your Home may experience some minor material shrinkage, cracking and other events which are normal and customary Remember that You are responsible for proper maintenance of Your Home including maintaining Builder-set grades around Home, planting trees and shrubs at the proper distance, and conforming to generally accepted landscape practices for Your region

SECTION VIII EXCLUSIONS

This Limited Warranty does not provide any coverage for the following items, which are specifically excluded

- 1 Damage to land and other real property that was not part of Your Home, or any property that was not included in the purchase price stated on the Certificate of Warranty Coverage,
- 2 Damage to swimming pools and other recreational facilities, driveways, boundary walls, retaining walls and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of the Home), fences, landscaping (including sodding, seeding, shrubs, trees, and plantings), sprinkler systems, patios, decks, stoops, steps and porches, outbuildings, detached carports, or any other appurtenant structure or attachment to the dwelling, or other additions or improvements not a part of Your Home,

- 3 Loss or damage which arises while Your Home is being used primarily for nonresidential purposes,
- 4 Changes in the level of underground water table which were not reasonably foreseeable at the time of construction of Your Home,
- 5 Failure of Your Builder to complete construction,
- 6 Noncompliance with plans and specifications, violations of local or national building codes, ordinances or standards,
- 7 Any condition which has not resulted in actual physical damage to Your Home,
- 8 Any loss or damage that is caused or made worse by any of the following causes, whether acting alone or in sequence or concurrence with any other cause or causes whatsoever, including without limitation
 - a Negligence, improper maintenance, defective material or work supplied by, or improper operation by, anyone other than Your Builder or its employees, agents or subcontractors, including failure to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures,
 - b Your failure to give prompt and proper notice to HBW and Your Builder of any defect;
 - c Change of the grading of the ground that does not comply with accepted grading practices, or failure to maintain the original grade,
 - d Riot or civil commotion, war, vandalism, hurricane, tornado or other windstorm, fire, explosion, blasting, smoke, water, rainwater, groundwater, flood, dampness, condensation, hail, snow, ice storm, lightning, falling trees or other objects, aircraft, vehicles, mudslide, avalanche, earthquake, or volcanic eruption,
 - e Abuse or use of Your Home, or any part thereof, beyond the reasonable capacity of such part for such use,
 - f Microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold, mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos, any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic, and electromagnetic field or emission, including any claim of health risk or uninhabitability based on any of the foregoing,
 - g Your failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable,
- 9 Any loss or damage caused by buried debris, underground springs, sinkholes, mineshafts or other anomalies which were not reasonably foreseeable in a building site provided by You,
- 10 Any defect or damage You knew about prior to the Effective Date of Warranty,
- 11 Any request for warranty performance submitted to HBW or Your Builder after an unreasonable delay or later than 30 days after the expiration of the applicable Warranty Term,
- 12 Loss caused, in whole or in part, by any peril or occurrence for which compensation is provided by state legislation or public funds,
- 13 Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repair, or any other costs due to loss of use, inconvenience, or annoyance,
- 14 Diminished market value of Your Home, and
- 15 Any and all consequential loss or damage, including without limitation, any damage to property not covered by this Warranty, any damage to personal property, any damage to property which You do not own, any bodily damage or personal injury of any kind, including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses, or lost profits
- 16 Any and all exclusions set forth in Section IX (Construction Performance Guidelines)

The Limited Warranty covers only those Defects and Structural Defects which first occur during the Warranty Term, any Defects or Structural Defects You knew about prior to the Effective Date of Warranty such as "walk-through" or "punch-list" items are not covered

The Limited Warranty does not apply to any manufactured item such as appliances, fixtures, equipment (except as specifically defined in the Construction Performance Guidelines) or any other item which is covered by a manufacturer's warranty, nor does it cover systems Defects that are caused by failure of any such manufactured item. Appliances and items of equipment not covered by this Limited Warranty, include but are not limited to, air conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, chimes, dishwashers, dryers, electric meters, electronic air cleaners, exhaust fans, fire alarms, fire protection sprinkler systems, freezers, furnaces, garage door openers, garbage disposals, gas meters, gas or electric grills, heat exchangers, heat pumps, humidifiers, intercoms, oil tanks, outside lights or motion lights not attached to the Home, range hoods, ranges, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool baths, and wholehouse fans

ADDENDUM

*Indiana State of Indiana Only - If your Certificate of Warranty Coverage indicates Your Builder is providing Two Year Workmanship, Two Year Systems and Four Year Roof Warranty coverage, your Builder warrants that your Home will be free from Defects in material and workmanship for two years instead of one year as stated in the Construction Performance Guidelines and the roof will be free from Defects in faulty workmanship or defective materials for four years from the Effective Date of Warranty

**California State of California Only - The protection provided under this Warranty is not in limitation of, but is in addition to, any other rights provided to You under California law

**Kansas State of Kansas Only - You have not waived the implied warranties and the Limited Warranty is not Your exclusive remedy. You may have other remedies as provided to You under Kansas law.

SECTION IX CONSTRUCTION PERFORMANCE GUIDELINES

The following Construction Performance Guidelines are standards that have been developed and accepted by the residential construction industry in general. They apply only to the One Year Workmanship and Two Year Systems* Warranties. While it is virtually impossible to develop Construction Performance Guidelines for each possible deficiency, the construction industry and HBW have attempted to isolate the most common actual physical damage deficiencies that occur and in so doing, list the extent of Your Builder's, Warranty Insurer's and Your responsibility. Where a specific Construction Performance Guidelines has not been specified, the guidelines found in the publication *Residential Construction Performance Guidelines 2nd Edition-Contractor Reference*, National Association of Home Builders (NAHB), 2000, will apply. Copies of this publication may be special ordered through most book retailers, or purchased directly from the NAHB Bookstore by calling 1-800-223-2665. The NAHB Bookstore may also be reached online at www.BuilderBooks.com. If an item is not covered in that publication, locally accepted trade practices of the construction industry will be used.

The following Construction Performance Guidelines are expressed in terms of required standards that Your Builder's construction should meet. Noncompliance with these construction standards calls for corrective action by Your Builder. Builder will try to its best ability to match and replace with Your original choice of colors and materials, except where You custom-ordered the items. Builder cannot be responsible for discontinued items, changes in dye lots, colors or patterns, or items ordered outside of the original construction.

Refer to other parts of this Booklet for specific terms, definitions, exclusions and conditions that apply to the first (1st), second (2nd) and fourth (4th) (INDIANA RESIDENTS ONLY) year of the warranty.

Normal wear and deterioration, failure of Your Builder to perform any washing, cleaning, or cleanup, are not covered under the Limited Warranty.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p>1 Site Work 1.1 Grading</p>			
<p>Settling of ground around foundation, utility trenches or other areas on the property where excavation and backfill have taken place that affect drainage away from Home</p>	<p>Settling of ground around foundation walls, utility trenches or other filled areas that exceeds a maximum of six inches from finished grade established by Builder</p>	<p>If Builder has provided final grading, Builder shall fill settled areas affecting proper drainage, one time only, during the first year Warranty Term. You are responsible for removal and replacement of shrubs and other landscaping affected by placement of the fill.</p>	
<p>1.2 Drainage Improper surface drainage</p>	<p>Necessary grades and swales shall be established to provide proper drainage away from the Home. Site drainage, under the Limited Warranty, is limited to grades within 10-feet and swales within 20-feet of the foundation of the Home. Standing or ponding water shall not remain in these areas for a period longer than 24-hours after a rain, except in swales that drain from adjoining properties or where a sump pump discharges. In these areas an extended period of 48-hours is to be allowed for water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.</p>	<p>Builder is only responsible for initially establishing the proper grades, swales and drainage away from Home. You are responsible for maintaining such grades and swales once constructed by the Builder. Builder is not responsible for drainage deficiencies attributable to grading requirements imposed by state, county, or local governing agencies.</p>	<p>Standing or ponding water outside of defined swales and beyond 10-feet from the foundation of the Home, or that is within 10-feet but is caused by unusual grade conditions, or retention of treed areas, is not considered a deficiency. Standing or ponding water caused by changes in the grade or placement of sod, fencing, or any other obstructions by You are excluded from Limited Warranty coverage.</p>
<p>Soil Erosion</p>	<p>NONE NO COVERAGE</p>	<p>NONE Builder is not responsible for soil erosion due to acts of God or other conditions beyond the Builder's control.</p>	<p>Soil erosion and runoff caused by failure of You to maintain the properly established grades, drainage structures and swales, stabilized soil, sodded, seeded and landscaped areas, are excluded from Limited Warranty coverage.</p>
<p>Grassed or landscaped areas, which are disturbed or damaged due to work performed by Builder on the property in correcting a deficiency.</p>	<p>Landscaped areas that are disturbed during repair work are deficiencies.</p>	<p>Restore grades, seed and landscape to meet original condition. Builder is not responsible for grassed or landscaped areas which are damaged by others, including any work performed by public or private utility companies.</p>	<p>Replacement of trees and large bushes that existed at the time Home was constructed or those added by You after occupancy or those that subsequently die are excluded from Limited Warranty coverage.</p>
<p>2 Concrete 2.1 Cast-In Place Concrete Basement or foundation wall cracks, other than expansion or control joints</p>	<p>Concrete cracks greater than 1/8-inch in width, or which allow exterior water to leak into basement, are deficiencies.</p>	<p>Repair non-structural cracks by surface patching. These repairs should be made toward the end of the first year of Limited Warranty coverage to permit normal stabilizing of the Home by settling.</p>	<p>Shrinkage cracks are not unusual and are inherent in the concrete curing process.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Cracking of basement floor	Minor cracks in concrete basement floors are common. Cracks exceeding 1/4-inch in width or 3/16-inch in vertical displacement are deficiencies.	Repair cracks exceeding maximum tolerance by surface patching or other methods, as required.	
Cracking of attached garage floor slab	NONE NO COVERAGE	NONE	NO COVERAGE is provided for this element under the Limited Warranty.
Cracks in attached patio slab and sidewalks	NONE NO COVERAGE	NONE	NO COVERAGE is provided for this element under the Limited Warranty.
Cracks in concrete slab-on-grade floors, with finish flooring	Cracks that rupture or significantly impair the appearance or performance of the finish flooring material are deficiencies.	Repair cracks as required so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring.	
Uneven concrete floor slabs	Except for basement floors or where a floor or a portion of floor has been designed for specific drainage purposes, concrete floors in rooms finished for habitability by Builder shall not have pits, depressions or area or unevenness exceeding 3/8-inch in 32-inches.	Repair/replace to meet the Construction Performance Guidelines. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.	
Interior concrete work is pitting, scaling, or spalling	Interior concrete surfaces that disintegrate to the extent that aggregate is exposed and loosened under normal conditions of use are deficiencies.	Builder shall take whatever corrective action is necessary to repair or replace defective concrete surfaces.	Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the Builder's control.
Efflorescence is present on surface of basement floor	NONE NO COVERAGE	NONE This is a normal condition.	
Separation of brick or masonry edging from concrete slab or step	It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of 1/4-inch are a deficiency.	Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as closely as possible.	
Cracking, settling or heaving of stoops and steps.	Stoops and steps that have settled, heaved, or separated in excess of 1-inch from Home are a deficiency.	Builder shall take whatever corrective action is necessary to meet the Construction Performance Guideline.	
2.2 Construction and Control Joints Separation or movement of concrete slabs within the structure at construction and control joints	NONE NO COVERAGE	NONE	Concrete slabs within the structure are designed to move at construction and control joints and are not deficiencies. You are responsible for maintenance of joint material.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
3 Masonry			
3.1 Unit Masonry (Brick, Block and Stone)			
Cracks in masonry, brick, or stone veneer	Small hairline cracks resulting from shrinkage are common in mortar joints of masonry construction. Cracks greater than 1/4-inch in width are deficiencies.	Builder will repair cracks greater than 1/4-inch by tuck pointing and patching. These repairs should be made toward the end of the first year of Limited Warranty coverage to permit Home to stabilize and normal settlement to occur. Builder is not responsible for color variations between existing and new mortar.	
Cracks in concrete block basement walls	Small shrinkage cracks that do not affect the structural ability of masonry foundation walls are not unusual. Cracks 1/4-inch or greater in width are deficiencies.	Builder shall investigate to determine cause. Builder shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses.	
Concrete block basement wall is bowed	Block concrete walls shall not bow in excess of 1-inch in 8 feet when measured from the base to the top of the wall.	Builder shall repair basement walls that are bowed in excess of 1-inch in 8 feet.	
3.2 Stucco and Cement Plaster			
Cracking or spalling of stucco and cement plaster	Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry back-up. Cracks greater than 1/8 inch in width or spalling of the finish surfaces are deficiencies.	Scrape out cracks and spalled areas. Fill with cement plaster or stucco to match finish and color as close as possible.	Builder is not responsible for failure to match color or texture, due to nature of material.
Separation of coating from base on exterior stucco wall	The coating shall not separate from the base on an exterior stucco wall.	Builder shall repair areas where the coating has separated from the base.	Builder is not responsible for failure to match color or texture, due to the nature of the material.
4 Carpentry			
4.1 Rough Carpentry			
	Loud and objectionable squeaks caused by improper installation or loose subfloor are deficiencies, but a totally squeak-proof floor cannot be guaranteed.	Builder will refasten any loose subfloor or take other corrective action to reduce squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.	Floor squeaks may occur when a subfloor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. Squeaks may also occur when one joist is deflected while the other members remain stationary. Because the Construction Performance Guidelines requires the Builder to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose subflooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.
Uneven wood framed floors	Wood floors shall not have more than a 1/4-inch ridge or depression within any 32-inch measurement.	Correct or repair to meet the Construction Performance Guidelines.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Bowed stud walls or ceilings	All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Walls or ceilings that are bowed more than 1/2-inch within a 32-inch horizontal measurement, or 1/2-inch within any 8-foot vertical measurement, are deficiencies.	Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the Construction Performance Guidelines.	
Wood frame walls out of plumb	Wood frame walls that are more than 3/8-inch out of plumb for any 32-inch vertical measurement are a deficiency.	Make necessary repairs to meet the Construction Performance Guidelines.	
Wood beam or post is split	Beams or posts, especially those 2 1/2-inches or greater in thickness, will sometimes split as they dry subsequent to construction. Unfilled splits exceeding 1/4-inch in width and all splits exceeding 3/8-inch in width are deficiencies.	Builder shall repair or replace as required. Filling splits is acceptable for widths up to 3/8-inch.	Some characteristics of drying wood are beyond the control of the builder and cannot be prevented.
Exterior sheathing and subflooring which delaminates or swells	Sheathing and subflooring delaminating or swelling on the side that the finish material has been applied is a deficiency.	Builder shall repair or replace subflooring or sheathing as required. Replacement of the finish materials, when necessary, shall be done to match the existing finish as closely as possible.	
Wood frame walls out of square	The diagonal of a triangle with sides of 12-feet and 16-feet along the edges of the floor shall be 20-feet plus or minus 1/2-inch.	Builder shall make necessary modifications to any floor not complying with the Construction Performance Guidelines.	
4.2 Finish Carpentry Unsatisfactory quality of finished exterior trim and workmanship	Joints between exterior trim elements and siding or masonry, which are in excess of 1/4-inch, are deficiencies. In all cases, the exterior trim abutting masonry siding shall be capable of performing its function to exclude the elements.	Repair open joints and touch up finish coating where required to match existing as closely as possible. Caulk open joints between dissimilar materials.	
Unsatisfactory quality of finished interior trim and workmanship	Joints between moldings and adjacent surfaces that exceed 1/8-inch in width are deficiencies.	Repair defective joints and touch up finish coating where required to match as closely as possible. Caulking is acceptable.	
Interior trim is split	NONE NO COVERAGE	NONE	Splits, cracks, and checking are inherent characteristics of all wood products, and are not considered deficiencies.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Hammer marks visible on interior trim	Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions	Builder shall fill hammer marks and refinish or replace affected trim to meet the Construction Performance Guidelines. Refinished or replaced areas may not match surrounding areas exactly.	
Exposed nail heads in woodwork	Setting nails and filling nail holes are considered part of painting and finishing. After painting or finishing, nails and nail holes shall not be readily visible from a distance of 6 feet under normal lighting conditions.	Fill nail holes where required and, if necessary, touch up paint, stain, or varnish to match as closely as possible.	Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product. Nail holes in base and trim in unfinished rooms or closets do not have to be filled.
5 Thermal and Moisture Protection <i>5.1 Waterproofing</i> Leaks in basement or in foundation/crawl space	Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies.	Take such action as is necessary to correct basement and crawl space leaks, except where the cause is determined to be the result of Your negligence. Where a sump pit has been installed by Builder in the affected area but the sump pump was not contracted for or installed by Builder, no action is required until a properly sized pump is installed by You in an attempt to correct the condition. Should the condition continue to exist, then Builder shall take necessary action to correct the problem.	Leaks caused by landscaping improperly installed by You or failure by You to maintain proper grades are excluded from Limited Warranty coverage. Dampness in basement and foundation walls or in concrete basement and crawl space floors is often common to new construction and is not a deficiency.
<i>5.2 Insulation</i> Insufficient insulation	Insulation that is not installed around all habitable areas in accordance with established local industry standards is a deficiency.	Builder shall install insulation of sufficient thickness and characteristics to meet the local industry standards. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by You if it is found that the standard has been met by Builder.	
Sound transmission between rooms, floor levels, adjoining condominium units in a building, or from the street into Home	NONE NO COVERAGE	NONE	NO COVERAGE is provided for soundproofing.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<i>5.3 Ventilation and Moisture Control</i>			
Inadequate ventilation or moisture control in crawl spaces	Crawl spaces shall have adequate ventilation to remove moisture or other approved method of moisture control. Ventilation or other moisture control methods shall be considered inadequate if there is damage to supporting members or insulation due to moisture accumulation.	Builder shall investigate to determine cause, and make necessary repairs. Corrective action may include the installation of properly sized louvers, vents, vapor barrier, or other locally approved method of moisture control.	Temporary conditions may cause condensation in crawl spaces that can not be eliminated by ventilation and/or vapor barrier. Night air may cool foundation walls and provide a cool surface on which moisture may condense. In Homes that are left unheated in the winter, the underside of floors may provide a cold surface on which warmer crawl space air may condense. These and other similar conditions are beyond the Builder's control. Maintaining adequate heat and seasonal adjustment of vents is Your responsibility.
Inadequate ventilation or moisture control in attics or roofs	Attics or roofs shall have adequate ventilation to remove moisture, or other approved method of moisture control. Ventilation or other moisture control methods shall be considered inadequate if there is damage to supporting members or insulation due to moisture accumulation.	Builder shall investigate to determine cause, and make necessary repairs. Corrective action may include the installation of properly sized louvers, vents, vapor retarder, or other locally approved method of moisture control.	You are responsible for keeping existing vents unobstructed. Locally approved and properly constructed "hot roof" or other alternative roof designs may not require ventilation and where there is no evidence of moisture damage to supporting members or insulation, are not deficiencies.
Attic vents or louvers leak	Attic vents and louvers shall not leak.	Builder shall repair or replace the roof vents as necessary to meet the Construction Performance Guidelines.	Infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the Builder.
Bath or kitchen exhaust fans improperly vented into attic	Bath or kitchen exhaust fans that are vented into attics causing moisture to accumulate resulting in damage to supporting members or insulation, are deficiencies.	Builder shall vent exhaust fans to the outside to correct deficiencies.	
<i>5.4 Sealants</i>			
Water or air leaks in exterior walls due to inadequate caulking	Joints and cracks in exterior wall surfaces and around openings that are not properly caulked to exclude the entry of water or excessive drafts are a deficiency.	Repair and/or caulk joints in exterior wall surfaces as required to correct deficiency one time only during the first year of Limited Warranty coverage.	You must maintain caulking once the condition is corrected.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p>5 5 Exterior Siding Delamination, splitting, or deterioration of exterior siding</p>	Exterior siding that delaminates, splits or deteriorates is a deficiency	Repair/replace only the damaged siding Siding to match the original as closely as possible, however, You should be aware that the new finish may not exactly match the original surface texture or color	Delaminated siding due to Your actions or neglect, such as delamination caused by sprinkler system repeatedly wetting siding, is not a deficiency
Loose or fallen siding	All siding that is not installed properly, which causes same to come loose or fall off, is a deficiency	Reinstall or replace siding and make it secure	Loose or fallen siding due to Your actions or neglect, such as leaning heavy objects against siding, impact, or sprinkler systems repeatedly wetting siding, is not a deficiency
Siding is bowed	Bows exceeding 1/2-inch in 32-inches are deficiencies	Builder will repair bowed siding to meet standard If replacement of siding is required, Builder will match original material as closely as possible, You should be aware that the new finish may not exactly match the original surface texture or color	Bowed siding due to Your actions or neglect, such as bowing caused by sprinkler system repeatedly wetting siding, is not a deficiency
Nails have stained siding	Nail stains exceeding 1/2-inch in length and visible from a distance of 20-feet are deficiencies	Builder shall correct by either removing stains, painting, or staining the affected area Builder shall match color and finish as closely as possible Where paint or stain touch up affects the majority of the wall surface, the whole area shall be refinished	"Natural weathering" or semi-transparent stains are excluded from coverage
<p>5 6 Roofing Roof or flashing leaks</p>	Roof or flashing leaks that occur under normal weather conditions are deficiencies	Correct any roof or flashing leaks that are verified to have occurred under normal weather conditions	Where cause of leaks is determined to result from severe weather conditions such as ice and snow build-up, high winds and driven rains, such leaks are not deficiencies
Roof shingles have blown off	Shingles shall not blow off in winds less than the manufacturer's standards or specifications	Builder will replace shingles that blow off in winds less than the manufacturer's standards or specifications only if improper installation is shown to be the cause	Shingles that blow off in winds less than the manufacturer's standards or specifications due to a manufacturing defect in the shingles are the manufacturer's responsibility Shingles that blow off in hurricanes, tornadoes, hailstorms, or winds, including gusts greater than 60 miles per hour, are not deficiencies You should consult shingle manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility if shingles blow off in higher wind speeds
Defective shingles	NONE NO COVERAGE	NONE	Manufacturing defects in shingles are not covered under the Limited Warranty You should consult shingle manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Standing water on built-up roofs	Water shall drain from a flat or low-pitched roof within 24-hours of a rainfall	Builder will take corrective action to assure proper drainage of the roof	Minor ponding or standing of water is not considered a deficiency
<i>5 7 Sheet Metal</i> Gutters and downspouts leak	Gutters and downspouts that leak are deficiencies	Repair leaks in gutters and downspouts	
Water remains in gutters after a rain	Small amounts of water may remain in some sections of gutter for a short time after a rain. Standing water in gutters shall not exceed 1/2-inch in depth	Builder will repair gutters to assure proper drainage	You are responsible for keeping gutters and downspouts free from debris that would obstruct drainage
6 Doors and Windows <i>6 1 Doors Interior and Exterior</i> Warpage of interior or exterior doors	Interior and exterior doors that warp so as to prevent normal closing and fit are deficiencies. The maximum allowable warpage of an interior door is 1/4-inch when measured from corner to corner	Repair or replace as may be required. New doors to be refinished to match the original as closely as possible.	
Door binds against jamb or head of frame or does not lock	Passage doors that do not open and close freely without binding against the doorframe are deficiencies. Lock bolt is to fit the keeper to maintain a closed position	Adjust door and keeper to operate freely	Wood doors may stick during occasional periods of high humidity
Door panels shrink and expose bare wood	NONE	NONE	Door panels will shrink due to the nature of the material, exposing bare wood at the edges and are not deficiencies
Door panels split	Door panels that have split to allow light to be visible through the door are deficiencies	If light is visible, fill crack and finish panel to match as closely as possible. Correct one time only during first year of Limited Warranty coverage	
Bottom of doors drag on carpet surface	Where it is understood by Builder and You carpet is planned to be installed as floor finish by Builder, the bottom of the doors which drag on the carpet are deficiencies	Undercut doors as required	Where carpet is selected by You having excessive high pile, the You are responsible for any additional door undercutting
Excessive opening at the bottom of interior doors	Passage doors from room to room that have openings between the bottom of the door and the floor finish material in excess of 1 1/2-inches are deficiencies. Closet doors having an opening in excess of 2-inches are deficiencies	Make necessary adjustment or replace door to meet the required tolerance	

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Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p>6 2 <i>Garage Doors (Attached Garage)</i> Garage door fails to operate or fit properly</p>	<p>Garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances are deficiencies. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.</p>	<p>Make necessary adjustments to meet the manufacturer's installation tolerances.</p>	<p>No adjustment is required when cause is determined to result from anyone but Builder's or Builder's subcontractors' installation of an electric door opener.</p>
<p>6 3 <i>Wood, Plastic and Metal Windows</i> Window is difficult to open or close</p>	<p>Windows should require no greater operating force than that described in the manufacturer's specifications.</p>	<p>Builder shall correct or repair as required to meet manufacturer's specifications.</p>	
<p>Double hung windows do not stay in place when open</p>	<p>Double hung windows are permitted to move within a two inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.</p>	<p>Adjust sash balances one time only during the first year of Limited Warranty coverage. Where possible, Builder will instruct You on the method of adjustment for future repair.</p>	
<p>Condensation or frost on window frames and glass</p>	<p>NONE</p>	<p>NONE.</p>	<p>Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the Home.</p>
<p>6 4 <i>Hardware</i> Hardware does not work properly, fails to lock or perform its intended purpose</p>	<p>All hardware installed on doors and windows that does not operate properly are deficiencies.</p>	<p>Builder shall adjust, repair, or replace hardware as required.</p>	
<p>6 5 <i>Storm Doors, Windows and Screens</i> Storm doors, windows and screens do not operate or fit properly</p>	<p>Storm doors, windows and screens, when installed which do not operate or fit properly to provide the protection for which they are intended, are considered deficiencies.</p>	<p>Builder shall make necessary adjustments for proper fit and operation. Replace when adjustment cannot be made.</p>	<p>Missing screens, rips or gouges in the screen mesh are not covered by this Limited Warranty.</p>
<p>6 6 <i>Weatherstripping and Seals</i> Drafts around doors and windows.</p>	<p>Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around frame when window or exterior door is closed.</p>	<p>Builder shall repair to meet Construction Performance Guidelines.</p>	<p>In high wind areas, You may need to have storm windows and doors installed to eliminate drafts.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p>6 7 Glass and Glazing Clouding and condensation on inside surfaces of insulated glass</p>	Insulated glass that clouds up or has condensation on the inside surfaces of the glass is a deficiency	Builder shall replace glass in accordance with window and glass manufacturer's requirements	Glass breakage is excluded
<p>7 Finishes 7 1 Lath and Plaster Cracks in plaster wall and ceiling surfaces</p>	Hairline cracks are not unusual Cracks in plaster wall and ceiling surfaces exceeding 1/16-inch in width are deficiencies	Builder shall repair cracks that are greater than 1/16-inch in width and touch up paint to match as closely as possible, one time only Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal movement in Home	
<p>7 2 Drywall Drywall cracks</p>	Hairline cracks are not unusual Cracks in interior gypsum board or other drywall materials exceeding 1/8-inch in width are deficiencies	Builder shall repair cracks that are greater than 1/8-inch in width and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal movement in Home	
Nail pops, blisters, or other blemish is visible on finished wall or ceiling	Nail pops and blisters that are readily visible from a distance of 6 feet under normal lighting conditions are deficiencies	Builder will repair such blemishes, and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal settlement of the Home	Depressions or slight mounds at nail heads are not considered deficiencies. Builder is not responsible for nail pops or blisters that are not visible, such as those covered by wallpaper
Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints	Cracked or exposed corner bead, trowel marks, excess joint compound, or blisters in drywall tape, are deficiencies	Builder will repair to meet Construction Performance Guidelines, and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal settlement of the Home	
<p>7 3 Hard Surfaces Flagstone, Marble, Quarry Tile, Slate, or other hard surface flooring is broken or loose</p>	Tile, flagstone, or similar hard surfaced sanitary flooring that cracks or becomes loose is a deficiency. Subfloor and wallboard are required to be structurally sound, rigid, and suitable to receive finish	Builder shall replace cracked tiles, marble, or stone and resecure loose tiles, marble, or stone flooring	Cracking and loosening of flooring caused by Your negligence is not a deficiency. Builder is not responsible for color and pattern variations or discontinued patterns of the manufacturer
Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub, shower, or countertop	Cracks in grouting of ceramic tile joints are deficiencies. Regrouting of these cracks is Your maintenance responsibility after the Builder has regROUTED once	Builder shall repair grouting as necessary one time only within the first year of Limited Warranty coverage	Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub, shower basin, or countertop are considered Your maintenance and any resultant damage to other finish surfaces due to leaks, etc are not considered deficiencies

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p><i>7.4 Resilient Flooring</i> Nail pops appear on the surface of resilient flooring</p>	<p>Readily apparent nail pops are deficiencies</p>	<p>Builder shall correct nail pops that have caused damage to the floor material and repair or replace damaged floor covering in the affected area. Builder is not responsible for discontinued patterns or color variations.</p>	
<p>Depressions or ridges appear in the resilient flooring due to subfloor irregularities</p>	<p>Readily apparent depressions or ridges exceeding 1/8-inch are a deficiency. The ridge or depression measurement is taken as the gap created at one end of a 6-inch straight edge placed over the depression or ridge with 3-inches on one side of the deficiency held tightly to the floor.</p>	<p>Builder shall take required action to bring the deficiency within acceptable tolerances so as to be not readily visible. Builder is not responsible for discontinued patterns or color variations in the floor covering. Your neglect or abuse, nor installations performed by others.</p>	
<p>Resilient flooring or base loses adhesion</p>	<p>Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency.</p>	<p>Builder shall repair or replace resilient flooring or base as required. Builder is not responsible for discontinued patterns or color variations.</p>	
<p>Seams or shrinkage gaps show at resilient flooring joints</p>	<p>Gaps in excess of 1/16-inch in width in resilient floor covering joints are deficiencies. Where dissimilar materials abut, a gap in excess of 1/8-inch is a deficiency.</p>	<p>Builder shall repair or replace the resilient flooring to meet the Construction Performance Guidelines. Builder is not responsible for discontinued patterns or color variations of floor covering. Proper repair can be affected by sealing gap with seam sealer.</p>	
<p><i>7.5 Finished Wood Flooring</i> Cupping, open joints, or separations in wood flooring</p>	<p>Open joints or separations between floorboards of finished wood flooring shall not exceed 1/8-inch in width. Cups in strip floorboards shall not exceed 1/16-inch in height in a 3-inch maximum distance when measured perpendicular to the length of the board.</p>	<p>Builder shall determine the cause and if the result of a deficiency in workmanship or material, correct one time only. For repairable deficiencies, repair cracks by filling and refinishing to match the wood surface as closely as possible. For non-repairable deficiencies, replace and finish affected area to match remaining flooring as closely as possible.</p>	<p>Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of Home. While boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. You should be familiar with the recommended care and maintenance requirements of their wood floor. Repeated wetting and drying, or wet mopping may damage wood finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by the Limited Warranty.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p><i>7 6 Painting</i> Knot and wood stains appear through paint on exterior</p>	Excessive knot and wood stains that bleed through the paint are considered deficiencies	Builder shall seal affected areas where excessive bleeding of knots and stains appear and touch-up paint to match as closely as possible	
Exterior paint or stain peels or deteriorates	Exterior paints or stains that peel or deteriorate during the first year of ownership are deficiencies	Builder shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface areas, the whole area should be refinished. The Limited Warranty on the newly repainted surfaces will not extend beyond the original Warranty Term.	Fading, however, is normal and subject to the orientation of painted surfaces to the climactic conditions which may prevail in the area. Fading is not a deficiency.
Painting required as corollary repair because of other work	Necessary repair of a painted surface under this Limited Warranty is to be refinished to match surrounding areas as closely as possible.	Builder shall refinish repaired areas to meet the standard as required.	
Mildew or fungus forms on painted or factory finished surfaces	NONE NO COVERAGE	NONE	Mildew or fungus that forms on a painted or factory finished surface when the surface is subject to various exposures (e.g. ocean, lake, riverfront, heavily wooded areas or mountains) is not a deficiency.
Deterioration of varnish or lacquer finishes	Natural finish on interior woodwork that deteriorates during the first year of Limited Warranty coverage is a deficiency.	Builder shall refinish affected areas of natural finished interior woodwork, matching the color as closely as possible.	Varnish-type finishes used on exterior surfaces will deteriorate rapidly and are not covered by the Limited Warranty.
Interior paint coverage	Wall, ceiling, and trim surfaces that are painted shall not show through new paint when viewed from a distance of 6-feet under normal lighting conditions.	Builder shall repaint wall, ceiling or trim surfaces where inadequate paint has been applied. Where the majority of the wall or ceiling surface is affected the entire area will be painted from breakline to breakline. Builder is not required to repaint an entire room unless all walls and ceiling have been affected.	
Paint splatters and smears on finish surfaces	Paint splatters on walls, woodwork, or other surfaces which are excessive, shall not be readily visible when viewed from a distance of 6-feet under normal lighting conditions.	Builder shall remove paint splatters without affecting the finish of the material, or replace the damaged surface if paint cannot be removed.	Minor paint splatter and smears on impervious surfaces that can be easily removed by normal cleaning methods are considered to be Your maintenance and are not deficiencies.
<p><i>7 7 Wall Covering</i> Peeling of wallcovering installed by Builder</p>	Peeling of wallcovering is a deficiency, unless it is due to Your abuse or negligence.	Builder shall repair or replace defective wallcovering.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Pattern in wallcovering is mismatched at the edges	Pattern in wallcovering shall match at the edges	Builder shall remove mismatched wallcovering and replace Builder is not responsible for discontinued or variations in color	Defects in the wallcovering patterns are the manufacturer's responsibility, and excluded from Limited Warranty coverage
Lumps and ridges and nail pops in wallboard that appear after the Homeowner has wallcovering installed by others	NONE NO COVERAGE	NONE	You shall insure that the surface to receive wallcovering is suitable and assumes full responsibility should lumps, ridges, and nail pops occur at a later date
<i>7 8 Carpeting</i> Carpet does not meet at the seams	It is not unusual for carpet seams to show However, a visible gap or overlapping at the seam due to improper installation is a deficiency	Builder shall correct to eliminate visible gap or overlapping at the seam	Carpet material is not covered under the Warranty
Color variations in carpet	NONE NO COVERAGE	NONE	Colors may vary by dye lot, and from one end to another in the same roll Side to side shading may show at most If not all seams, even where the same dye lot is used Carpet material is not covered under the Limited Warranty You should consult carpet manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility for color variations
Carpeting loosens, or the carpet stretches	When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachment	Builder will restretch or resecure carpeting to meet Construction Performance Guidelines one time only during the first year of Limited Warranty coverage	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
8 Specialties			
8.1 Fireplaces			
Fireplace or chimney does not draw properly causing smoke to enter home	A properly designed and constructed fireplace or chimney shall function correctly. High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining homes, and interior furnaces. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary for the homeowner to substantiate the problems to the Builder by constructing a fire so the condition can be observed.	When determined the malfunction is based upon improper construction of the fireplace, the Builder shall take the necessary steps to correct the problem.	When it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond Builder's control, Builder is not responsible.
Chimney separation from structure to which it is attached	Newly built fireplaces will often incur slight amounts of separation. Separation that exceeds 1/2-inch from the main structure in any 10-foot vertical measurement is a deficiency.	Builder shall correct. Caulking or grouting is acceptable unless the cause of the separation is due to structural failure of the chimney foundation. In that case, caulking is unacceptable.	
Cracks in masonry hearth or facing	Small hairline cracks in mortar joints resulting from shrinkage are not unusual. Cracks in stone or brick hearth or facing greater than 1/4-inch in width are deficiencies.	Builder will repair cracks exceeding standard by pointing or patching. Builder is not responsible for color variations between existing and new mortar.	Heat and flames from normal fires can cause cracking of firebrick and mortar joints. This should be expected, and is not covered by the Limited Warranty.
9 Cabinets and Vanities			
9.1 Kitchen Cabinets and Vanities			
Kitchen and vanity cabinet doors and drawers bind	Cabinet doors and drawers shall open and close with reasonable ease.	Builder shall adjust or replace doors and drawers as necessary to meet Construction Performance Guidelines.	
Warping of kitchen and vanity cabinet doors and drawer fronts	Warpage that exceeds 1/4-inch as measured from the face of the cabinet frame to the furthest point of warpage on the drawer or door front in a closed position is a deficiency.	Builder shall correct or replace door or drawer front as required.	
Gaps between cabinets, ceiling and walls	Countertops, splash boards, base and wall cabinets are to be securely mounted. Gaps in excess of 1/4-inch between wall and ceiling surfaces are a deficiency.	Builder shall make necessary adjustment of cabinets and countertop or close gap by means of moulding suitable to match the cabinet or countertop finish, or as closely as possible, or other acceptable means.	
9.2 Countertops	Countertops fabricated with high pressure laminate coverings that delaminate or have surface cracks or joints exceeding 1/16-inch between sheets are considered deficiencies.	Builder shall repair or replace laminated surface covering having cracks or joints exceeding the allowable width.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
10 Mechanical			
<i>10 1 Plumbing</i>			
Faucet or valve leak	A valve or faucet leak due to material or workmanship is a deficiency and is covered only during the first year of the Warranty	Builder shall repair or replace the leaking faucet or valve	Leakage caused by worn or defective washers or seals are Your maintenance item
Defective plumbing fixtures, appliances or trim fittings	Fixtures, appliances, or fittings shall comply with their manufacturer's standards as to use and operation	NONE	Defective plumbing fixtures, appliances, and trim fittings are covered under their manufacturer's warranty
<i>10 2 Water Supply</i>			
Staining of plumbing fixtures due to high iron, manganese, or other mineral content in water	NONE NO COVERAGE	NONE High iron and manganese content in the water supply system will cause staining of plumbing fixtures	Maintenance and treatment of the water is Your responsibility
Noisy water pipes	Some noise can be expected from the water pipe system, due to the flow of water. However, the supply pipes should not make the pounding noise called "water hammer". "Water hammer" is a deficiency covered only during the first year of the Warranty	Builder shall correct to eliminate "water hammer"	Noises due to water flow and pipe expansion are not considered deficiencies
<i>10 3 Heating and Air Conditioning</i>			
Inadequate heat	A heating system shall be capable of producing an inside temperature of at least 70-degrees Fahrenheit as measured in the center of the room at a height of five feet above the floor under local outdoor winter design conditions. NOTE FOR HEATING: There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in Home.	Builder shall correct heating system as required to provide the required temperatures if a deficiency exists	Orientation of Home and location of room will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels. You are responsible for balancing dampers and registers and for making other necessary minor adjustments.
Inadequate cooling	When air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78-degrees Fahrenheit as measured in the center of each room at height of five feet above the floor, under local outdoor summer design conditions. NOTE FOR AIR CONDITIONING: In the case of outside temperatures exceeding 95-degrees Fahrenheit, the system shall keep the inside temperature 15-degrees cooler than the outside temperature. National, state, or local requirements shall supersede this guideline where such requirements have been adopted by the local governing agency.	Correct cooling system to meet the Construction Performance Guidelines during the first year of Limited Warranty coverage	Orientation of Home and location of room will also provide a temperature differential, especially when the air-conditioning system is controlled by a single thermostat for one or more levels. You are responsible for balancing dampers and registers and for making other necessary minor adjustments.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Ductwork and heating piping not insulated in uninsulated area	Ductwork and heating pipes that are run in uninsulated crawl spaces, garages or attics are to be insulated Basements are not "uninsulated areas", and no insulation is required	Builder shall install required insulation	
Condensate lines clog up	NONE NO COVERAGE	Builder shall provide clean and unobstructed lines on Effective Date of Warranty	Condensate lines will clog under normal conditions You are responsible for continued operation of drain lines
Improper mechanical operation of evaporative cooling system	Equipment that does not function properly at temperature standard set is a deficiency	Builder shall correct and adjust so that blower and water system operate as designed during the first year of Limited Warranty coverage	
Ductwork makes noises	NONE NO COVERAGE	NONE	When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and are not deficiencies
Ductwork makes excessively loud noises known as "oil canning"	The stiffening of the ductwork and the gauge of metal used shall be such that ducts do not "oil can" The booming noise caused by oil canning is a deficiency	Builder shall take the necessary steps to eliminate noise caused by oil canning	
11 Electrical Components			
11.1 Switches and Receptacles			
Fuses blow, or circuit breakers kick out	Fuses and circuit breakers that deactivate under normal usage, when reset or replaced are deficiencies during the first year of Limited Warranty coverage	Builder shall check all wiring and replace wiring or breaker if it does not perform adequately or is defective	
Drafts from electrical outlets	NONE NO COVERAGE	NONE	The electrical junction box on exterior walls may produce a slight air flow whereby the cold air can be drawn through the outlet into a room. This problem is normal in new Home construction
Malfunction of electrical outlets, switches, or fixtures	All switches fixtures and outlets which do not operate as intended are considered deficiencies only during the first year of Limited Warranty coverage	Builder shall repair or replace defective switches, fixtures and outlets	
Light fixture tarnishes	NONE NO COVERAGE	NONE	Finishes on light fixtures may be covered under their manufacturer's warranty

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
<p><i>11 2 Service and Distribution</i> Ground fault interrupter trips frequently</p>	<p>Ground fault Interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock These devices are sensitive and can be tripped very easily Ground fault outlets that do not operate as intended are considered deficiencies</p>	<p>Builder shall replace the device if defective during the first year of Limited Warranty coverage</p>	

ITEMS COVERED UNDER THE 2-YEAR SYSTEMS COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
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12 Mechanical Systems

12 1 Septic Tank Systems

Septic systems fail to operate properly

Septic system should be capable of properly handling normal flow of household effluent

Builder shall take corrective action if it is determined that malfunction is due to a deficiency in workmanship, materials, or failure to construct system in accordance with state, county, or local requirements Builder is not responsible for malfunctions or limitations in the operation of the system attributable to design restrictions imposed by state, county, or local governing agencies. Builder is also not responsible for malfunctions which occur or are caused by conditions beyond Builder's control, including Your negligence abuse, freezing, soil saturation, changes in ground water table, or other acts of nature

You are responsible for periodic pumping of the septic tank and a normal need for pumping is not a deficiency The following are considered Your negligence or abuse as exclusion under the Limited Warranty a) excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use, b) connection of sump pump, roof drains or backwash from water conditioner, to the system c) placing of non-biodegradable items in the system, d) addition of harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners, e) use of a food waste disposer not supplied by Builder, f) placement of impervious surfaces over the disposal area, g) allowing vehicles to drive or park over the disposal area, h) failure to periodically pump out the septic tank when required Sewage pumps are excluded under the Limited Warranty

12 2 Plumbing

Water in plumbing pipes freezes, and the pipes burst

Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing and bursting during normally anticipated cold weather

Builder shall correct conditions not meeting Construction Performance Guidelines

Burst pipes due to Your neglect and resultant damage are not Builder's responsibility You are responsible for draining exterior faucets, and maintaining suitable temperature in the Home to prevent water in pipes from freezing During periods when the outdoor temperature falls below the design temperature You are responsible for draining or otherwise protecting pipes Homes which are periodically occupied, such as summer homes, or where there will be no occupancy for an extended period of time, must be properly winterized or periodically checked to insure that a reasonable temperature is maintained

ITEMS COVERED UNDER THE 2-YEAR SYSTEMS COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Warrantor Responsibility	Exclusion
Leakage from any piping	Leaks in any waste, vent and water piping are deficiencies	Builder shall make necessary repairs to eliminate leakage	Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required
Sanitary sewers, fixtures, waste or drain lines are clogged	The Builder is not responsible for sewers, fixtures, or drains that are clogged because of Your actions or negligence. Sanitary sewers, fixtures, waste or drain lines that do not operate or drain properly due to improper construction are deficiencies	When defective construction is shown to be the cause, Builder shall make necessary repairs If Your actions or negligence is the cause, You are responsible for correcting the problem. You are liable for the entire cost of any sewer and drain cleaning service provided by Builder where clogged drains are caused by Your actions or negligence	Builder is not responsible for sewer lines that extend beyond the property lines on which the Home is constructed
<i>12.3 Water Supply</i> Water supply system fails to deliver water	All service connections to municipal water main or private water supply are Builder's responsibility when installed by Builder	Builder shall repair as required if failure to supply water is the result of deficiency in workmanship or materials	If conditions exist which disrupt or eliminate the sources of water supply that are beyond Builder's control, then Builder is not responsible
<i>12.4 Heating and Air Conditioning</i> Refrigerant lines leak	Builder-installed refrigerant lines or ground loop pipes that develop leaks during normal operation are deficiencies	Builder shall repair leaking lines and recharge the unit as required	Leaks due to Your actions or negligence are excluded
Ductwork separates, becomes unattached	Ductwork that is not intact or securely fastened is a deficiency	Builder shall reattach and resecure all separated or unattached ductwork	
13 Electrical System <i>13.1 Electrical Conductors</i> Failure of wiring to carry its designed load	Wiring that is not capable of carrying the designated load, for normal residential use to switches, receptacles, and equipment, is a deficiency	Builder shall check wiring and replace if it fails to carry the design load	



America's Choice

Home Buyers Warranty®

HOME BUYERS WARRANTY CORPORATION
Warranty Administration Office
2675 S Abilene Street
Aurora, Colorado 80014
720-747-6000

NOTICE OF COMPLAINT FORM
FOR BUILDERS WARRANTY COVERAGE
Workmanship/Systems complaints only

Please read the Home Buyers Warranty Booklet for filing instructions and pertinent information. If your previous written attempts to resolve your problems with the Builder have failed, then this form is to be sent to your Builder, with a copy to the HBW Warranty Administration Office. This form must be received by your Builder and HBW no later than thirty (30) days after the expiration of the applicable warranty term or the coverage will be denied. We recommend certified mail, return receipt requested.

NAME _____

ADDRESS OF COMPLAINT _____
(Street)

(City) (State) (Zip)

HOME PHONE () BUSINESS PHONE ()

EFFECTIVE DATE OF WARRANTY / /
(Date of Closing or First Occupancy) (Mo) (Day) (Year)
HBW Certificate of Warranty Coverage #

NATURE OF DEFECT (BE SPECIFIC) _____

DATE DEFECT FIRST OBSERVED _____

DATE FIRST REPORTED TO BUILDER _____

Attach any copies of relevant correspondence between you and your Builder involving this matter. Please provide any correspondence that indicates that your Builder has failed to perform his/her warranty obligations, and a copy of the Certificate of Warranty Coverage.

CHECK ONE (if applicable)
1 [] FHA 2. [] VA 3 [] RHS
Case # _____
If you are the original owner, and your Home has original FHA-financing, please provide the following
Name of mortgage company _____
Address of mortgage company _____

Homeowner Signature Date

Homeowner Signature Date

HBW 305 7/03



America's Choice

Home Buyers Warranty®

NOTICE OF CLAIM FORM FOR STRUCTURAL CLAIMS ONLY

HOME BUYERS WARRANTY CORPORATION

Warranty Administration Office

2675 S Abilene Street

Aurora, Colorado 80014

720-747-6000

Please read the Home Buyers Warranty Booklet for filing instructions and pertinent information

YOUR NAME _____

ADDRESS OF CLAIM _____

(Street)

(City)

(State)

(Zip)

HOME PHONE () _____ BUSINESS PHONE () _____

EFFECTIVE DATE OF WARRANTY: (Mo.) / (Day) / (Year) (Date of Closing or First Occupancy)

HBW Certificate of Warranty Coverage #

Please note that your Home Buyers WarrantySM provides Limited Structural Warranty Coverage which is subject to exclusions and conditions. You are encouraged to review the Structural Coverage provisions of your Warranty Booklet.

Please answer the following questions

- 1 Have you reviewed the Definition of a Structural Defect in your Warranty Booklet? [] Yes [] No
2 Do you believe that you have actual physical damage to one or more of the listed load bearing portions of your home? [] Yes [] No
3 Have you reviewed the list of non-load-bearing elements which would not qualify as a Structural Defect under this coverage? [] Yes [] No
4 Do you feel that your home is unsafe, unsanitary or otherwise unlivable as a result of the defect? [] Yes [] No

NATURE OF DEFECT (BE SPECIFIC, IF AVAILABLE, ENCLOSE PHOTOGRAPHS, ATTACH SEPARATE SHEET IF NECESSARY)

DATE DEFECT FIRST OBSERVED _____

IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFAUDING OR ATTEMPTING TO DEFAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER (BUILDER) OR CLAIMANT (HOMEBUYER) FOR THE PURPOSE OF DEFAUDING OR ATTEMPTING TO DEFAUD THE POLICYHOLDER (BUILDER) OR CLAIMANT (HOMEBUYER) WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE INSURANCE COMMISSIONER OF YOUR STATE.

CHECK ONE (if applicable)
1 [] FHA 2 [] VA 3 [] RHS
Case # _____
If you are the original owner, and your Home has original FHA-financing, please provide the following
Name of mortgage company _____
Address of mortgage company _____

Homeowner Signature _____ (Date)

Homeowner Signature _____ (Date)



Home Buyers Warranty®

America's
Choice®

Print Date:

2-10 Home Buyers Warranty Certificate of Warranty Coverage Warranty



Home Owner:

Insured by:
National Home Insurance Company
(A Risk Retention Group)

Your builder, HBW Builder #
has completed the enrollment process. Your home has now been enrolled in the following warranty program with
an effective date of warranty

One Year Workmanship/Two Year Systems/Ten Year Structural.

Warranty Limit: \$:

The Address and legal description of the home which has been accepted for enrollment is:

The Home Buyers Warranty Limited Warranty Booklet enclosed is dated 9/1/2003 HBW 307

The Builder Application for Home Enrollment that you signed with your Builder prior to your home being enrolled in the HBW program, this Certificate of Warranty Coverage and the enclosed Home Buyers Warranty Limited Warranty Booklet make up your warranty contract. No Party will be bound by any other representations or agreements made by any persons.

Notice: Any modifications, alterations or revisions made to this document will void the warranty coverage.



11/2/2004

Justin I. Robbins
Senior Lifestyle Corporation
111 East Wacker Drive, Suite 2200
Chicago, IL 60601

Dear Justin I. Robbins:

Congratulations! We have completed our screening procedure and have approved you as a member of Home Buyers Warranty. For future use, enclosed are Notification of Start forms. Complete and return the forms with a \$50.00 initial fee for each unit. Upon receipt of the Notification of Start form(s) and Risk Management approval, the Application for Home Enrollment will be forwarded to you.

Your registration number is 8800-8071. Please include this number with your firms' name on all correspondence relating to Home Buyers Warranty. The rates to be used by your firm to calculate the final warranty fee are \$2.20 per \$1,000 for the 2-10 coverage and \$2.00 per \$1,000 for the 10 years structural defect coverage only.

Please contact this office for additional information or materials that you may need for advertising and promotion.

Thank you for your business and we look forward to serving your warranty needs.

Sincerely,

A handwritten signature in black ink, appearing to read 'John D. Hubbard'.

John D. Hubbard
Vice President
West Region Customer Service Center

1.9.1

Milestone Dates

The Condominium of Autumn Green

Site Work	<i>Construction Commencement</i> <i>Substantial Completion</i>	11/29/2004 6/3/2005		
Building One 8710 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	11/29/2004 11/29/2004 6/3/2005	9/1/2005	
Building Two 8720 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	4/15/2005 4/15/2005 9/27/2005	12/26/2005	
Building Three 8800 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	5/16/2005 5/16/2005 10/28/2005		
Building Four 8810 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	8/15/2005 8/15/2005 11/27/2005	2/25/2006	
Building Five 8740 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	7/15/2005 7/15/2005 12/27/2005	3/27/2006	
Building Six 8730 S Keating	<i>Pre-Sales Requirement Satisfied</i> <i>Construction Commencement</i> <i>Substantial Completion</i> <i>Complete Unit Closings*</i>	8/15/2005 8/15/2005 1/27/2006		4/27/2006

* if agreed to by City and Lender, the marketing model unit in may be held off the market until the end of the entire (i.e., all six buildings) sales period

Exhibit 1.9 4
Monthly Progress Report

- I Executive Summary
- II Construction Progress Report and Draw Request
- III Unit Sales Status Report

Appendix 4 1(B)^A
Overall MBE/WBE Plan

Construction Hard Costs	\$10,350,000
Contingency	<u>\$ 247,000</u>
Total Budget	\$10,597,000
MBE Objective (16.9%)	\$ 1,790,893
WBE Objective (4.5%)	\$ 476,865

DEVELOPER SENIOR LIFESTYLE CORPORATION 111 E WACKER, SUITE 2200 CHICAGO, IL 60601			HUD SOURCE (DOH USE ONLY)		DATE. Nov 15, 2004	
PROJECT NAME MIDWAY VILLAGE AND LOCATION 6710 S KEATING AVE CHICAGO, IL 60629				ACTUAL CONSTRUCTION START DATE		
NAME OF CONTRACTOR COMPLETE ADDRESS AND TAX I D NUMBER	AMOUNT OF CONTRACT	ETHNIC/ RACIAL CODE	FEMALE OWNED BUSINESS (Y/N)	SECTION 3 BUSINESS CONCERN (Y/N)	TYPE(S) OF SERVICES PROVIDED (INCLUDING CONSTRUCTION AND SUPPLIES)	ANTICIPATED START AND COMPLETION DATES
GENERAL CONTRACTOR: SKENDER CONSTRUCTION COMPANY 10101 SOUTH ROBERTS ROAD PALOS HILLS, IL 60465 #36-3079494	\$11,999,435 00	1	N	N	GENERAL CONTRACTING	FROM TO
SUBCONTRACTOR: FRANK'S MASONRY INC 4928 WILSHIRE BOULEVARD COUNTRY CLUB HILLS, IL 60478 #36-3554737	\$1,083,200 00	2	N	N	MASONRY	FROM TO.
SUBCONTRACTOR BIGANE PAVING COMPANY 935 W CHESTNUT/STE 203 CHICAGO, IL 60622 #36-2216436	\$90,000 00	1	Y	N	ASPHALT PAVING	FROM TO
SUBCONTRACTOR PAN-AMERICAN CONSTRUCTION 1517 SOUTH KOLMAR CHICAGO, IL 60657 #36-3879469	\$112,000 00	4	N	N	MISC CONCRETE CONSTRUCTION	FROM TO
SUBCONTRACTOR WINDOW TREATMENTS INC 5014 N WOLCOTT #2 CHICAGO, IL 60640 #36-4321621	\$82,810 00	1	Y	N	INSTALL MIRRORS SUPPLY/INSTALL WIRE SHELVING FROM STOCK	FROM TO

ETHNIC/RACIAL CODES

- 1 WHITE AMERICAN
- 2 AFRICAN AMERICAN
- 3 NATIVE AMERICAN

- 4 HISPANIC AMERICAN
- 5 ASIAN PACIFIC AMERICAN
- 6 HASIDIC JEW

PREPARED BY TA JUANA TANG
TELEPHONE 708-430-8488

Appendix 4.1(B)

DEVELOPER: SENIOR LIFESTYLE CORPORATION 111 E WACKER, SUITE 2200 CHICAGO, IL 60601			HUD SOURCE (DOH USE ONLY)		DATE. Nov 15, 2004	
PROJECT NAME: MIDWAY VILLAGE AND LOCATION 6710 S KEATING AVE. CHICAGO, IL 60629				ACTUAL CONSTRUCTION START DATE		
NAME OF CONTRACTOR COMPLETE ADDRESS AND TAX I D NUMBER	AMOUNT OF CONTRACT	ETHNIC/ RACIAL CODE	FEMALE OWNED BUSINESS (Y/N)	SECTION 3 BUSINESS CONCERN (Y/N)	TYPE(S) OF SERVICES PROVIDED (INCLUDING CONSTRUCTION AND SUPPLIES)	ANTICIPATED START AND COMPLETION DATES
SUBCONTRACTOR BECO ELECTRIC COMPANY 9930 WEST 190TH STREET/ STE L MOKENA, IL 60448 #36-3990935	\$517,000 00	1 N	N	N	ELECTRICAL LABOR	FROM TO
SUBCONTRACTOR (BECO ELECTRIC) EVERGREEN SUPPLY 9901 SOUTH TORRANCE CHICAGO, IL 60617 #36-4215073	\$85,000 00	1 Y	Y	N	ELECTRICAL MATERIALS	FROM TO
SUBCONTRACTOR ARC UNDERGROUND 2114 W THOMAS CHICAGO, IL 60622 #36-3870383	\$185,000 00	1 Y	Y	N	SITE UTILITIES	FROM TO
SUBCONTRACTOR ABILITY ROCK ROAD 1021 N WOODDALE WOODDALE, IL 60191 #36-3348750	\$71,150 00	1 Y	Y	N	PAVING	FROM TO
SUBCONTRACTOR SANDERS LANDSCAPING 8200 S MERRIL CHICAGO, IL 60617 #36-	\$120,000 00	2 Y	Y	N	LANDSCAPING WORK	FROM TO

ETHNIC/RACIAL CODES

- 1 WHITE AMERICAN
- 2 AFRICAN AMERICAN
- 3 NATIVE AMERICAN

- 4 HISPANIC AMERICAN
- 5 ASIAN PACIFIC AMERICAN
- 6 HASIDIC JEW

PREPARED BY: TA JUANA TANG
TELEPHONE: 708-430-8488

DEVELOPER SENIOR LIFESTYLE CORPORATION 111 E WACKER, SUITE 2200 CHICAGO, IL 60601			HUD SOURCE (DOH USE ONLY)		DATE Nov 15, 2004	
PROJECT NAME MIDWAY VILLAGE AND LOCATION 6710 S KEATING AVE CHICAGO, IL 60629				ACTUAL CONSTRUCTION START DATE		
NAME OF CONTRACTOR COMPLETE ADDRESS AND TAX I D NUMBER	AMOUNT OF CONTRACT	ETHNIC/ RACIAL CODE	FEMALE OWNED BUSINESS (Y/N)	SECTION 3 BUSINESS CONCERN (Y/N)	TYPE(S) OF SERVICES PROVIDED (INCLUDING CONSTRUCTION AND SUPPLIES)	ANTICIPATED START AND COMPLETION DATES
SUBCONTRACTOR FENCE CONNECTIONS 970 VILLAS STREET ELGIN, IL 60120 #36-4358996	\$91,034 00	4	N	N	FENCE INSTALLATION	FROM TO
SUBCONTRACTOR RITEWAY-HUGGINS 1040 E 87TH STREET CHICAGO, IL 60619 #36-	\$425,000 00	2	N	N	CONCRETE	FROM TO
SUBCONTRACTOR WAUBONSEE DEVELOPMENT 610 S ELMWOOD DRIVE AURORA, IL 60506 #36-	\$120,114 00	1	Y	N	PRECAST CONCRETE	FROM TO
SUBCONTRACTOR PINNACLE INSURANCE 23 N LINCOLNWAY NORTH AURORA, IL 60542 #36-	\$90,401 00	1	Y	N	INSURANCE	FROM TO
SUBCONTRACTOR MW POWELL ROOFING 3445 S LAWNSDALE CHICAGO, IL 60623 #36-1641550	\$586,000 00	1	N	N	ROOFING	FROM TO

ETHNIC/RACIAL CODES

- 1 WHITE AMERICAN
- 2 AFRICAN AMERICAN
- 3 NATIVE AMERICAN

- 4 HISPANIC AMERICAN
- 5 ASIAN PACIFIC AMERICAN
- 6 HASIDIC JEW

PREPARED BY TA JUANA TANG
TELEPHONE 708-430-8488



City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Iris J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
312) 744-4900
312) 744-2949 (TTY)

http://www.cityofchicago.org

Harriet R. Reilly, President
Pinnacle Insurance Agency, Inc.
23 North Lincolnway
North Aurora, Illinois 60542
(830) 897-9112

Re: 4th ANNIVERSARY CERTIFICATION

Certification Effective:

August 4, 2004

Certification Expires:

April 1, 2006

Annual Affidavit Certificate Expires:

April 1, 2005

Dear Ms. Reilly:

Congratulations on your continued eligibility for certification as a WBE by the City of Chicago. Re-validation of Pinnacle Insurance Agency, Inc.'s certification is required by April 1, 2005

As a condition of continued certification during this five-year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. Please note that you must include a copy of your most current Corporate Federal Tax Returns. Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

Insurance Producer; Performance Bond Sales

Your firm's participation on City contracts will be credited only toward WBE goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward WBE goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs

Very truly yours,

Michael J. McMurray
Managing Deputy Procurement Officer

MJM/dls

AUG 17 2004





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Ann Bigane Wilson, President
Bigane Paving Company
935 West Chestnut Street, Suite #203
Chicago, Illinois 60622-5445

Re: **4th ANNIVERSARY CERTIFICATION**
Certification Effective: June 25, 2004
Certification Expires: July 1, 2006
Annual Affidavit Certificate Expires: July 1, 2005

Dear Ms. Wilson:

Congratulations on your continued eligibility for certification as a WBE by the City of Chicago. Re-validation of Bigane Paving Company's certification is required by **July 1, 2005**.

As a condition of continued certification during this five-year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. *Please note that you must include a copy of your most current Corporate-Federal Tax Returns.* Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

**Excavation, Grading and Asphalt;
Miscellaneous Concrete (Exclusive of Public Walkways)**

Your firm's participation on City contracts will be credited only toward WBE goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward WBE goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Michael J. McMurray
Managing Deputy Procurement Officer

MJM/dls





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

October 25, 2004

Angel Garcia, President
Pan American Construction Company, Inc.
1517 S. Kolmar
Chicago, IL 60623

Dear Mr. Garcia:

Your firm's annual certification to the City of Chicago for continued eligibility as a Disadvantaged, Minority and/or Woman-Owned Business Enterprise (DBE/MBE/WBE) ~~expired~~ on September 1, 2004. However, as a courtesy, the City of Chicago will 'Temporarily' extend your certification until December 1, 2004, or until your annual certification letter is received.

You will be notified if additional information is required.

Sincerely,

Leon Moore
Recertification Manager

LM/lm





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

David E. Malone
Chief Procurement Officer

City Hall, Room 403
21 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Angel Garcia, President
Pan American Construction Company, Inc.
1517 South Kolmar
Chicago, Illinois 60623

Re: 3 rd ANNIVERSARY CERTIFICATION	
Certification Effective.	September 17, 2003
Certification Expires.	September 1, 2007
Annual Affidavit Certificate Expires	September 1, 2004

Dear Mr. Garcia:

Congratulations on your continued eligibility for certification as a DBE/MBE by the City of Chicago. Re-validation of Pan American Construction Company, Inc.'s certification is required by September 1, 2004.

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. *Please note that you must include a copy of your most current Corporate Federal Tax Returns.* Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of

Miscellaneous Concrete (Inclusive of Public Walkways)

Your firm's participation on City contracts will be credited only toward DBE/MBE goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward DBE/MBE goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours

Eric J. Griggs
Deputy Procurement Officer

EJG/emc





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Lynn Armbruster, President
Waubensee Development
610 South Elmwood Drive
Aurora, Illinois 60506

Re: **4th ANNIVERSARY CERTIFICATION**

Certification Effective:

May 10, 2004

Certification Expires:

April 1, 2008

Annual Affidavit Certificate Expires:

April 1, 2005

Dear Ms. Armbruster:

Congratulations on your continued eligibility for certification as a WBE by the City of Chicago. Re-validation of **Waubensee Development's** certification is required by **April 1, 2005.**

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. Please note that you must include a copy of your most current Corporate Federal Tax Returns. Failure to file this Affidavit will result in the termination of your certification

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

Precast Concrete Erection; Grout and Caulk Installation

Your firm's participation on City contracts will be credited only toward WBE goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward WBE goals will be given only for work done in the specialty category

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Michael J. McMurray
Deputy Procurement Officer

MJM/emc





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Frank Hamilton, President
Frank's Masonry, Inc.
14433 South California Avenue
Posen, Illinois 60469
(708) 233-1705

Re. **4th ANNIVERSARY CERTIFICATION**
Certification Effective: September 20, 2004
Certification Expires: September 1, 2006
ANNUAL Affidavit Certificate Expires: September 1, 2005

Dear Mr. Hamilton

Congratulations on your continued eligibility for certification as an **MBE** by the City of Chicago. Re-validation of **Frank's Masonry, Inc.**'s certification is required by **September 1, 2005.**

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. Please note that you must include a copy of your most current Corporate Federal Tax Returns. Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of

Masonry and Concrete Contractor

Your firm's participation on City contracts will be credited only toward **MBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **MBE** goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Michael J. McMurray
Managing Deputy Procurement Officer

MJM/edj





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
312) 744-4900
312) 744-2949 (TTY)

<http://www.cityofchicago.org>

September 1, 2004

Ira Sanders, President
Sanders Landscaping, Inc.
8200 S. Merrill
Chicago, IL 60617

Dear Mr. Sanders:

Your firm's annual certification to the City of Chicago for continued eligibility as a Disadvantaged, Minority and/or Woman-Owned Business Enterprise (DBE/MBE/WBE) expired on September 1, 2004. However, as a courtesy, the City of Chicago will 'Temporarily' extend your certification until December 1, 2004, or until your annual certification letter is received.

You will be notified if additional information is required.

Sincerely,

Leon Moore
Recertification Manager

LM/lm

NEIGHBORHOODS





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Juan Escobar, President
Fence Connection, Inc.
970 Villa Street
Elgin, Illinois 60120

Certification Effective: June 3, 2004
Certification Expires: July 1, 2009
Annual Certificate Expires: July 1, 2005

Dear Mr. Escobar:

We are pleased to inform you that **Fence Connection, Inc.** has been certified as an **MBE** by the City of Chicago. This **MBE** certification, which is valid for five years must be re-validated annually. Your firm's next annual validation is required by **July 1, 2005.**

As a condition of continued certification during this five year period, you must file a **No-Change Affidavit** within 60 days of the date of expiration. **Please note that you must include a copy of your most current Corporate Federal Tax Returns.** Failure to file this Affidavit will result in the termination of your certification. You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes of facts affecting your firm's certification or if your firm otherwise fails to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of.

Fence Installation

Your firm's participation on City contracts will be credited only toward **MBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **MBE** goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs

Very truly yours,

Michael J. McMurray
Managing Deputy Procurement Officer

MJM/wa





Chicago
M. Daley, Mayor

Department of
Management Services

James J. Higgins
Recruitment Officer

1111 N. LaSalle Street
Room 403
Chicago, Illinois 60602
312-442-4900
312-442-2949 (TTY)

www.cityofchicago.org

August 20, 2004

Ann Pozdol, President
Ability Rockroad Company
1021 N. Wood Dale Rd.
Wood Dale, IL 60191

Dear Ms. Pozdol,

Your firm's annual certification to the City of Chicago for continued eligibility as a Disadvantaged, Minority and/or Woman-Owned Business Enterprise (DBE/MBE/WBE) expired on July 31, 2004. However, as a courtesy, the City of Chicago will 'Temporarily' extend your certification until November 1, 2004, or until your annual certification letter is received.

You will be notified if additional information is required.

Sincerely,

Leon Moore
Recertification Manager

LM/lm





Chicago
Mayor

Department of Purchases,
Contracts and Supplies

Malone
Procurement Officer

111 North LaSalle Street, Room 403
Chicago, Illinois 60602-1284
44-4900
44-3949 (TTY)

www.cityofchicago.org

Ann M. Pozdol, President
Ability Rockroad Company
2945 North Mozart Street
Chicago, Illinois 60618

Re: **3rd ANNIVERSARY CERTIFICATION**
Certification Effective August 27, 2003
Certification Expires: July 31, 2006
Annual Affidavit Certificate Expires: July 31, 2004

Dear Ms. Pozdol:

Congratulations on your continued eligibility for certification as a **DBE/WBE** by the City of Chicago. Re-validation of **Ability Rockroad Company's** certification is required by **July 31, 2004.**

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. **Please note that you must include a copy of your most current Corporate Federal Tax Returns.** Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of

Asphalt Paving Contractor

Your firm's participation on City contracts will be credited only toward **DBE/WBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **DBE/WBE** goals will be given only for work done in the specialty category

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Eric J. Gnggs
Deputy Procurement Officer

EJG/emc





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

David F. Malone
Chief Procurement Officer

City Hall Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4300
(312) 744-2349 (TTY)

<http://www.cityofchicago.org>

Larry Huggins, President
Riteway Construction Services, Inc.
1030 East 87th Street
Chicago, Illinois 60619

Re **3rd ANNIVERSARY CERTIFICATION**
Certification Effective. November 18, 2003
Certification Expires December 1, 2007
Annual Affidavit Certificate Expires December 1, 2004

Dear Mr. Huggins

Congratulations on your continued eligibility for certification as an **MBE** by the City of Chicago. Re-validation of **Riteway Construction Services, Inc.**'s certification is required by **December 1, 2004.**

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. ***Please note that you must include a copy of your most current Corporate Federal Tax Returns.*** Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of

**General Contractor; Construction Management; Miscellaneous
Concrete (Exclusive of Public Walkway) Excavation; Demolition
and Interstate Trucking**

Your firm's participation on City contracts will be credited only toward **MBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **MBE** goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Eric J. Griggs
Deputy Procurement Officer

EJG/emc

NEIGHBORHOODS





City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Christine Savoia, President
ARC Underground, Inc.
2114 West Thomas Street
Chicago, Illinois 60622

Re **3rd ANNIVERSARY CERTIFICATION**
Certification Effective May 13, 2004
Certification Expires: February 1, 2007
Annual Affidavit Certificate Expires: February 1, 2005

Dear Ms Savoia

Congratulations on your continued eligibility for certification as a **DBE/WBE** by the City of Chicago. Re-validation of **ARC Underground, Inc.**'s certification is required by **February 1, 2005.**

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. **Please note that you must include a copy of your most current Corporate Federal Tax Returns.** Failure to file this Affidavit will result in the termination of your certification

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of

**Sewer and Drain Contractor; Miscellaneous Concrete
(Exclusive of Public Walkways)**

Your firm's participation on City contracts will be credited only toward **DBE/WBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **DBE/WBE** goals will be given only for work done in the specialty category

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs

Very truly yours,

Michael J. McMurray
Deputy Procurement Officer

MJM/emc

(DBE Host: City)

NEIGHBORHOODS





City of Chicago
Mayor Richard M. Daley, Mayor

Department of
Procurement Services

Eric J. Griggs
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Lisa Johnson, President
Window Treatments, Inc.
5014 North Wolcott
Chicago, Illinois 60640
(630) 846-4000

Re: 3rd ANNIVERSARY CERTIFICATION

Certification Effective:

Certification Expires:

ANNUAL Affidavit Certificate Expires:

September 13, 2004

October 1, 2007

October 1, 2005

Dear Ms. Johnson:

Congratulations on your continued eligibility for certification as a WBE by the City of Chicago. Re-validation of Window Treatments, Inc.'s certification is required by **October 1, 2005**.

As a condition of continued certification during this five-year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. Please note that you must include a copy of your most current Corporate Federal Tax Returns. Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

Supplier of Home Appliances, Door, Wall and Corner Protection Products, Cabinetry Products, Fire Protection Equipment, Postal Mailboxes and Related Equipment; Distributor of Window Treatments, Wire Shelving and Bathroom Accessories

Your firm's participation on City contracts will be credited only toward WBE goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward WBE goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Michael J. McMurray
Managing Deputy Procurement Officer

MJM/dls



FOR CITY USE
AFFIDAVIT NO. _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." An incomplete EDS will be returned and any City action will be interrupted.

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "Applicant") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. However, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: 06/22/04

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. K+K Lifestyle Associates, L.L.C.

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

- Check here if the Undersigned is filing this EDS as an Applicant.
- Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest:
Senior Lifestyle Corporation

B. Business address of the Undersigned: 111 East Wacker Drive
Suite 2200
Chicago, Illinois

C. Telephone: (312) 673-4333 Fax: (312) 673-4430 Email: rgawronski@senr.com

D. Name of contact person: Robert M. Gawronski

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

72 for-sale condominiums for persons 55+
SE corner of 67th and Cicero

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # _____ and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: DOH

2. City action requested (e.g. loan, grant, sale of property):
HomeStart

3. If property involved, list property location:
SE corner of 67th and Cicero

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Business corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Not-for-profit corporation |
| | (Is the not-for-profit corporation also a 501(c)(3))? |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> General partnership | <input type="checkbox"/> Other entity (please specify) |
| <input type="checkbox"/> Limited partnership | _____ |

2. State of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No N/A

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
N/A	

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
N/A		

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
N/A		

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest
N/A		

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:
For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest
N/A		

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:
a. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest
Member →	William B. Kaplan III East Wacker Drive Suite 2200 Chicago, Illinois 60601	75%
Member →	James B. Klunick III East Wacker Drive Suite 2200 Chicago, Illinois 60601	25%
NO MANAGERS / MEMBER MANAGED		

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
No officers	

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address
N/A	

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest
N/A		

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

N/A

Name Business Address Percentage Interest

N/A

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.

2. Pursuant to Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here, add sheets as necessary]:

Name (Indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
---	---------------------	---	--

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

SECTION FOUR: CERTIFICATIONS

I CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly, controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

NIA

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

NIA

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four, I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("an **Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to **Applicable Parties**, the term **Affiliated Entity** means an individual or entity that directly or indirectly controls the **Applicable Party**, is controlled by it, or, with the **Applicable Party**, is under common control of another individual or entity;
- any responsible official of the Undersigned, any **Applicable Party** or any **Affiliated Entity** or any other official, agent or employee of the Undersigned, any **Applicable Party** or any **Affiliated Entity**, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any **Applicable Party** or any **Affiliated Entity** (collectively "**Agents**").

Neither the Undersigned, nor any **Applicable Party**, nor any **Affiliated Entity** of either the Undersigned or any **Applicable Party** nor any **Agents** have, during the five years before the date this EDS is signed, or, with respect to an **Applicable Party**, an **Affiliated Entity**, or an **Affiliated Entity** of an **Applicable Party** during the five years before the date of such **Applicable Party's** or **Affiliated Entity's** contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or
4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).

C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

is
 is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes No

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?
 Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter. [Begin list here, add sheets as necessary]:

N/A

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sflll.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

- C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. (NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

- 7) Provide that former City employees and officials cannot ever assist or represent another on a City contract if, while with the City, they were personally involved in or directly supervised the formulation, negotiation or execution of that contract.

SECTION SEVEN: CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Undersigned understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Undersigned understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded, void or voidable), at law, or in equity, including terminating the Undersigned's participation in the Matter and/or declining to allow the Undersigned to participate in other transactions with the City.

C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

D. The Undersigned has not withheld or reserved any disclosures as to economic interests in the Undersigned, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.

E. The information provided in this EDS must be kept current. In the event of changes, the Undersigned must supplement this EDS up to the time the City takes action on the Matter.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

K+K Lifestyle Associates, L.L.C.
(Print or type name of individual or legal entity submitting this EDS)

Date: 06/22/04

By: 
(sign here)

Print or type name of signatory:
William B. Kaplan

Title of signatory:
Member

Subscribed to before me on [date] 06/22/04, at Cook County,
Illinois [state].

 Notary Public.

Commission expires: 09/27/2006.



(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Undersigned must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with HOMESTART [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Undersigned, (2) warrants that all certifications and statements contained in the Undersigned's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

K&K Lifestyle Associates, L.L.C. Date: 11/17/04
(Print or type name of individual or legal entity submitting this recertification)

By: 
(sign here)

Print or type name of signatory:
William B. Kaplan

Title of signatory:
Member

Subscribed to before me on [date] 11/17/04, at Cook County, Illinois [state].

 Notary Public.

Commission expires: 09/27/06



FOR CITY USE

AFFIDAVIT NO. _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." **An incomplete EDS will be returned and any City action will be interrupted.**

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "Applicant") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. **However**, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its Internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: 06/22/04

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. Senior Lifestyle Corporation

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

Check here if the Undersigned is filing this EDS as an Applicant.

Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest:

B. Business address of the Undersigned: 111 East Wacker Drive
Suite 2200
Chicago, Illinois 60601

C. Telephone: (312) 673-4333 Fax: (312) 673-4430 Email: rgawronski@senr.com

D. Name of contact person: Robert M. Gawronski

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

72 for-sale condominiums for persons 55+
SE corner of 67th and Cicero

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # _____ and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: DOH

2. City action requested (e.g. loan, grant, sale of property):

HomeStart

3. If property involved, list property location:

SE corner of 67th and Cicero

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

Individual

Limited Liability Company

Business corporation

Joint venture

Sole proprietorship

Not-for-profit corporation

(Is the not-for-profit corporation also a 501(c)(3))?

Yes

No

General partnership

Other entity (please specify) _____

Limited partnership

2. State of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes

No

N/A

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
<u>See Exhibit A</u>	

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
<u>N/A</u>		

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
<u>N/A</u>		

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest
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<u>See Exhibit "B"</u>		

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:
For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest
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<u>N/A</u>		

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:
a List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest
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<u>N/A</u>		

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
N/A	

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address
N/A	

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest
N/A		

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

N/A

Name Business Address Percentage Interest

NIA

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.

2. Pursuant to Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here, add sheets as necessary]:

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
<u>See Exhibit "C."</u>			

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

SECTION FOUR: CERTIFICATIONS

I. CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

NIA

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

NIA

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four, I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

- 1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
- 2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- 3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
- 4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

- 1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- 2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement, theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("an **Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to **Applicable Parties**, the term **Affiliated Entity** means an individual or entity that directly or indirectly controls the **Applicable Party**, is controlled by it, or, with the **Applicable Party**, is under common control of another individual or entity;
- any responsible official of the Undersigned, any **Applicable Party** or any **Affiliated Entity** or any other official, agent or employee of the Undersigned, any **Applicable Party** or any **Affiliated Entity**, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any **Applicable Party** or any **Affiliated Entity** (collectively "**Agents**").

Neither the Undersigned, nor any **Applicable Party**, nor any **Affiliated Entity** of either the Undersigned or any **Applicable Party** nor any **Agents** have, during the five years before the date this EDS is signed, or, with respect to an **Applicable Party**, an **Affiliated Entity**, or an **Affiliated Entity** of an **Applicable Party** during the five years before the date of such **Applicable Party's** or **Affiliated Entity's** contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or
4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).

C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

is
 is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes ~~NO~~

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?
 Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:
- | Name | Business Address | Nature of Interest |
|------|------------------|--------------------|
|------|------------------|--------------------|

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter: [Begin list here, add sheets as necessary]:

N/A

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. (NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

Senior Lifestyle Corporation
(Print or type name of individual or legal entity submitting this EDS)

Date: 06/22/04

By: [Signature]
(sign here)

Print or type name of signatory:

Robert M. Gawronski

Title of signatory:

Vice President

Subscribed to before me on [date] 06/22/04, at Cook County,
Illinois [state].

[Signature] Notary Public.

Commission expires: 09/27/2006



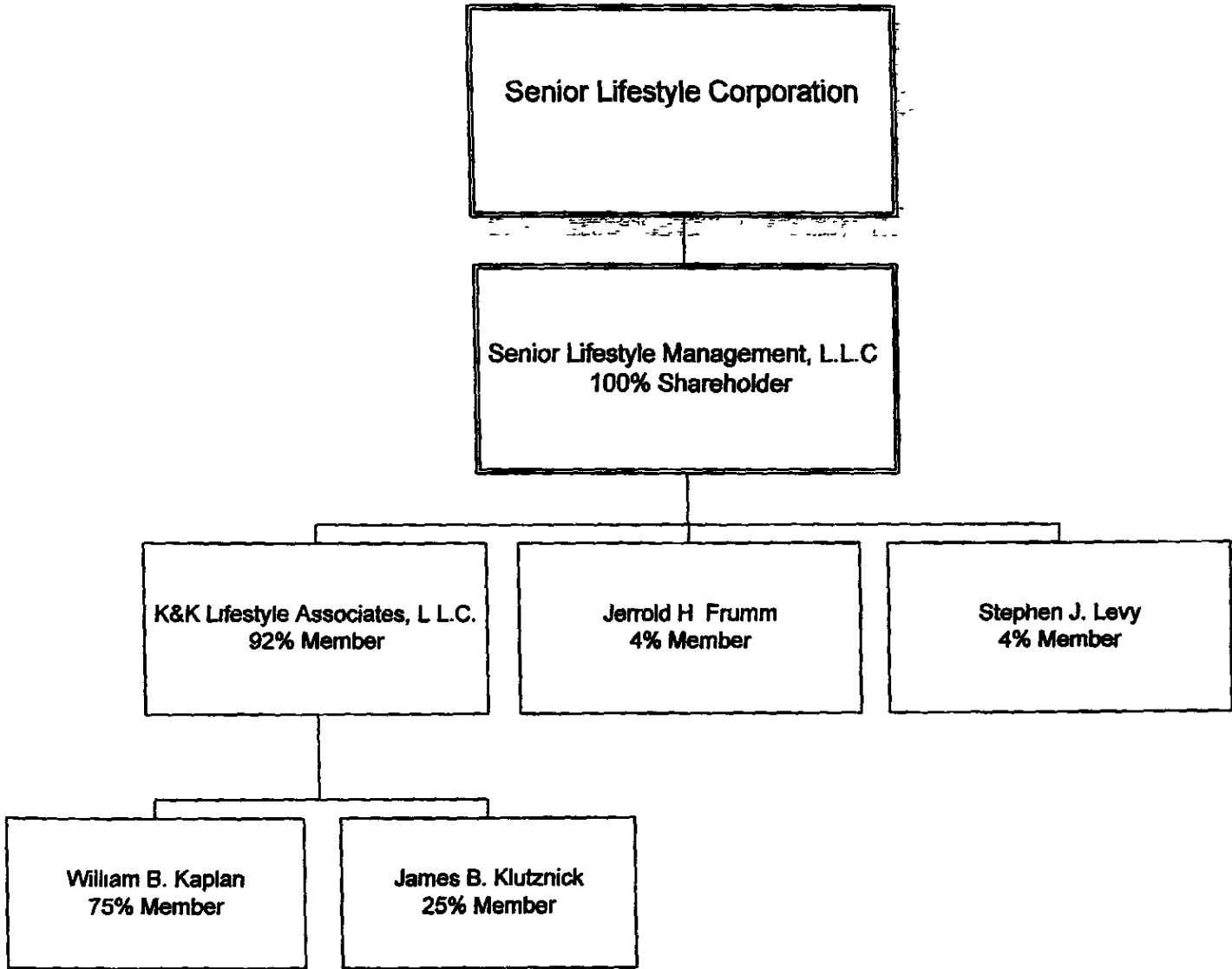
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Exhibit "A"

Officers & Directors – Senior Lifestyle Corporation

William B. Kaplan	Chairman of the Board & Secretary
James B. Klutznick	President, Treasurer & Assistant Secretary
Jerrold H. Frumm	Executive Vice President
Stephen J. Levy	Senior Vice President, General Counsel & Assistant Secretary
Robert M. Gawronski	Vice President – Development & Acquisitions

Exhibit "B" Ownership Structure of Senior Lifestyle Corporation



Addresses for all Entities & Members shown above is 111 East Wacker Drive, Suite 2200 Chicago, Illinois 60601

Exhibit "C"

Architect:

Mann, Gin, Dubin & Frazier
Attention: Richard P. Mann
104 South Michigan Avenue
Suite 200
Chicago, Illinois 60603
Estimated Fee - \$450,000

Contractor

Skender Construction
Attention: Joseph Skender
1010 Roberts Road
Palos Hills, Illinois 60465
Estimated Fee - \$13,350,000

Sales Consultant

Coldwell Banker Residential Real Estate, Inc.
Attention: Matt Garrison
2855 N. Lincoln Avenue
Chicago, Illinois 60657
Estimated Fee - \$30,000

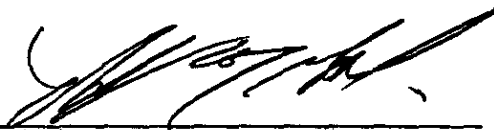
(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Undersigned must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with HOMESTART
[identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Undersigned, (2) warrants that all certifications and statements contained in the Undersigned's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Senior Lifestyle Corporation Date: 11/17/04
(Print or type name of individual or legal entity submitting this recertification)

By: 

(sign here)


Print or type name of signatory:

Robert M. Gawronski

Title of signatory:

Vice President

Subscribed to before me on [date] 11/17/04, at Cook County,
Illinois [state].

 Notary Public

Commission expires: 09/27/06



FOR CITY USE

AFFIDAVIT NO _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." **An incomplete EDS will be returned and any City action will be interrupted.**

Please print or type all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "Applicant") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. **However**, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its Internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: 06/22/04

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. Senior Lifestyle Management, L.L.C.

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

Check here if the Undersigned is filing this EDS as an Applicant.

Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest:

Senior Lifestyle Corporation

B. Business address of the Undersigned: 111 East Wacker Drive
Suite 2200
Chicago, Illinois 60601

C. Telephone: (312) 673-4333 Fax: (312) 673-4430 Email: rgawronski@senl.com

D. Name of contact person: Robert M. Gawronski

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

72 for-sale condominiums for persons 55+
SE corner of 67th and Cicero

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # _____ and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: DOH

2. City action requested (e.g. loan, grant, sale of property):

HomeStart

3. If property involved, list property location:

SE corner of 67th and Cicero

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Business corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Not-for-profit corporation |
| | (Is the not-for-profit corporation also a 501(c)(3))? |
| | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> General partnership | <input type="checkbox"/> Other entity (please specify) |
| <input type="checkbox"/> Limited partnership | _____ |

2. State of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No N/A

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
N/A	

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
N/A		

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
N/A		

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest
------	------------------	---------------------

N/A		

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:

For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest
------	------------------	---------------------

N/A		

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:

a. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest
------	------------------	---------------------

See Exhibit "A" (For Ownership Structure)		
William B. Kaplan III	111 East Wacker Drive Suite 2200 Chicago, Illinois 60601	(Manager)
Terry H. Fournier	111 East Wacker Drive Suite 2200 Chicago, Illinois 60601	(Manager)
Stephen J. Lavy	111 East Wacker Drive Suite 2200 Chicago, Illinois 60601	(Manager)

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
<u>See Exhibit "B"</u>	

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address
<u>N/A</u>	

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest
<u>N/A</u>		

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

N/A

Name Business Address Percentage Interest

N/A

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.

2. Pursuant to Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?

Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here, add sheets as necessary]:

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
<u>None</u>			

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

SECTION FOUR: CERTIFICATIONS

I. CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four, I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("an **Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Applicable Parties, the term **Affiliated Entity** means an individual or entity that directly or indirectly controls the Applicable Party, is controlled by it, or, with the Applicable Party, is under common control of another individual or entity;
- any responsible official of the Undersigned, any Applicable Party or any Affiliated Entity or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any Applicable Party or any Affiliated Entity (collectively "**Agents**").

Neither the Undersigned, nor any Applicable Party, nor any Affiliated Entity of either the Undersigned or any Applicable Party nor any Agents have, during the five years before the date this EDS is signed, or, with respect to an Applicable Party, an Affiliated Entity, or an Affiliated Entity of an Applicable Party during the five years before the date of such Applicable Party's or Affiliated Entity's contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or
4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).

C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

is
 is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes No

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?

Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
------	------------------	--------------------

_____	_____	_____
_____	_____	_____
_____	_____	_____

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter: [Begin list here, add sheets as necessary]:

N/A

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. (NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

- 7) Provide that former City employees and officials cannot ever assist or represent another on a City contract if, while with the City, they were personally involved in or directly supervised the formulation, negotiation or execution of that contract.

SECTION SEVEN: CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Undersigned understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Undersigned understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded, void or voidable), at law, or in equity, including terminating the Undersigned's participation in the Matter and/or declining to allow the Undersigned to participate in other transactions with the City.

C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

D. The Undersigned has not withheld or reserved any disclosures as to economic interests in the Undersigned, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.

E. The information provided in this EDS must be kept current. In the event of changes, the Undersigned must supplement this EDS up to the time the City takes action on the Matter.

CERTIFICATION

Under penalty of perjury, the person signing below (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

Senior Lifestyle Management, L.L.C.
(Print or type name of individual or legal entity submitting this EDS)

Date: 06/22/04

By: [Signature]
(sign here)

Print or type name of signatory:

Robert M. Gawronski

Title of signatory:

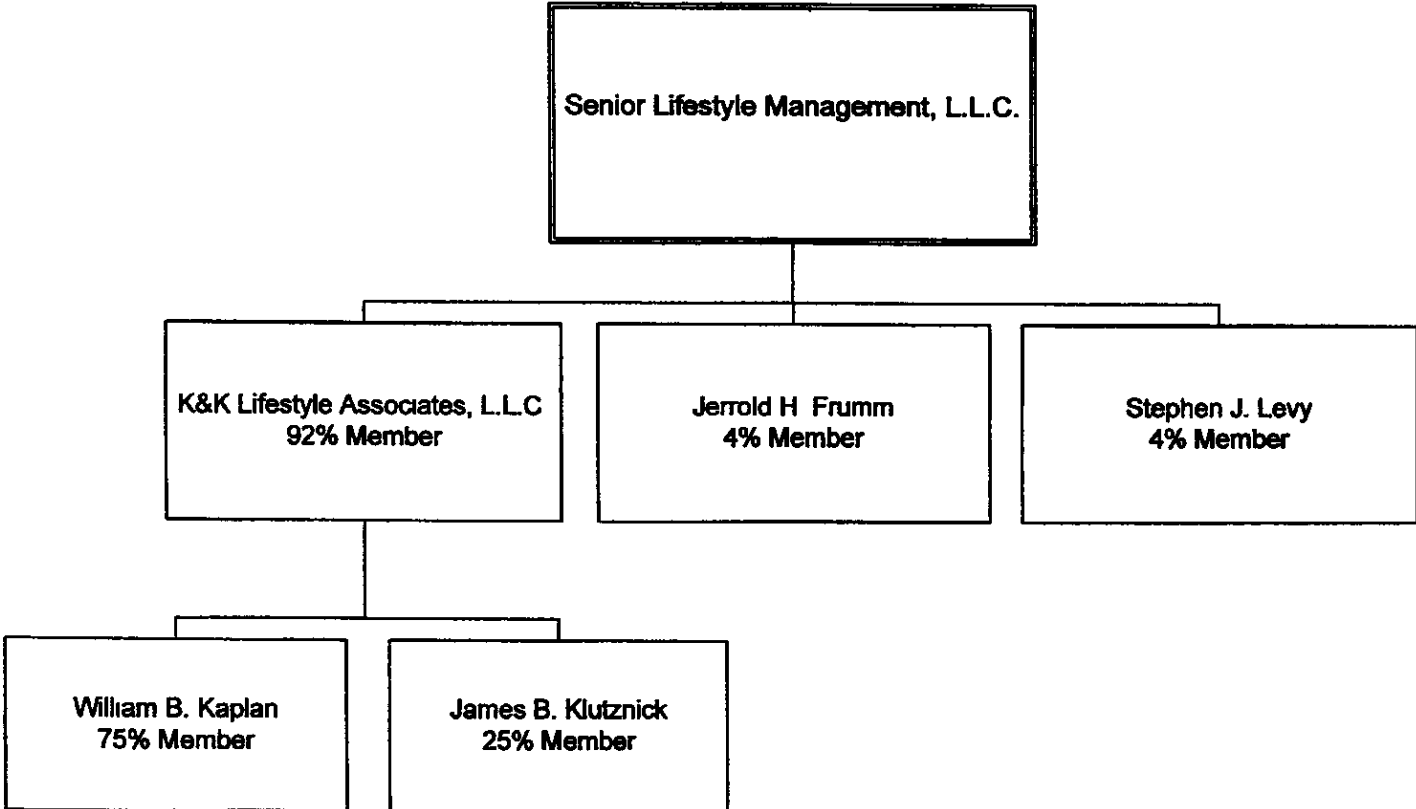
Vice President

Subscribed to before me on [date] 06/22/04, at Cook County, Illinois [state].

[Signature] Notary Public.
Commission expires: 09/27/2006



Exhibit "A" Ownership Structure of Senior Lifestyle Management, L.L.C.



Addresses for all Entities & Members shown above is 111 East Wacker Drive, Suite 2200 Chicago, Illinois 60601

Exhibit "B"

Officers & Directors – Senior Lifestyle Management, L.L.C.

William B. Kaplan	Chairman of the Board & Secretary
James B. Klutznick	President, Treasurer & Assistant Secretary
Jerrold H. Frumm	Executive Vice President
Stephen J. Levy	Senior Vice President, General Counsel & Assistant Secretary
Robert M. Gawronski	Vice President – Development & Acquisitions

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Undersigned must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with HOMESTART [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Undersigned, (2) warrants that all certifications and statements contained in the Undersigned's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments

Senior Lifestyle Management, L.L.C.
(Print or type name of individual or legal entity submitting this recertification)

Date: 11/17/04

By: 
(sign here)

Print or type name of signatory:

Robert M. Gawronski

Title of signatory:

Vice President

Subscribed to before me on [date] 11/17/04, at Cook County, Illinois [state].

 Notary Public.

Commission expires: 09/27/06

Ver 6/23/03

