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This agreement was prepared by  
and after recording return to:

Adam R. Walker  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602



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**REDEVELOPMENT AGREEMENT**

between

CITY OF CHICAGO

and

HILLIARD HOMES I LIMITED PARTNERSHIP

Box 430

8001041

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Exhibit C	Redevelopment Plan
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Exhibit J	Schedule of Maximum Amount of TIF-Funded Interest Costs
Exhibit K	Minimum Equalized Assessed Value

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This agreement was prepared by and  
after recording return to:

Adam R. Walker  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

## REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (the "Agreement") is made as of October 1, 2002, between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing ("DOH"), and Hilliard Homes I Limited Partnership, an Illinois limited partnership (the "Developer").

### RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on July 21, 1999: (1) "An Ordinance of the City of Chicago, Illinois, Approving a Redevelopment Plan and Project for the 24<sup>th</sup>/Michigan Redevelopment Project Area;" (2) "An Ordinance of the City of Chicago, Illinois, Designating the 24<sup>th</sup>/Michigan Redevelopment Project Area a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act;" and (3) "An Ordinance of the City of Chicago, Illinois, Adopting Tax Increment Allocation Financing for the 24<sup>th</sup>/Michigan Redevelopment Tax Increment Financing Project". Collectively, these ordinances shall be referred to herein as the "TIF Ordinances." The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: The Developer will acquire a 99-year leasehold interest from the Chicago Housing Authority in the site located in the Redevelopment Area with street addresses of 2031 S. Clark Street and 2111 S. Clark Street and legally described on Exhibit B (the "Property"). The Property, together with the site anticipated to be used for Phase II (as defined herein), consists approximately of the area bounded by State Street on the east, Clark Street on the west, Cermak Road to the south and Cullerton Street to the north. Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (the "Project"): renovation of two residential structures on the Property having, in the aggregate,

327 one, two, three and four bedroom apartment units, and all of which will be subject to affordability restrictions, as follows:

(a) all of the units may be rented only to households earning not greater than 60% of the median income for the City of Chicago, (b) 54 units may be rented only to households qualifying under the applicable restrictions pertaining to the low-income housing tax credits generated by the Project, and (c) 153 units may be rented to certain tenants who qualify as "public housing" tenants under and subject to the terms and provisions of a certain Regulatory and Operating Agreement (the "Regulatory and Operating Agreement") between the Developer and the Chicago Housing Authority ("CHA").

In addition, that portion of the Property consisting of the building located at 2111 South Clark Street will be operated by Developer as housing for (1) eligible families whereby one family member is sixty-two years of age or older; or (2) disabled residents that resided in the building prior to commencement of the Project and are eligible to reside in the building once such work is completed.

In addition to the dwelling units, the Project also includes landscaping and other site work, the construction of approximately 241 parking spaces, and renovation/construction of community rooms, office space and laundry areas.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 24<sup>th</sup>/Michigan Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit C. Among the objectives of the Redevelopment Plan are the revitalization of the Redevelopment Area and the promotion of housing types that accommodate a diverse mix of households and income levels.

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

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

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

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## SECTION 1. RECITALS

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

## SECTION 2. DEFINITIONS

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

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

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

"Available Incremental Revenues" shall mean those Incremental Taxes for Tax Year 2002 and thereafter that are attributable to the Property.

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

"CHA Loan" shall mean the loan or loans made by the Chicago Housing Authority, or a financial institution or other entity acceptable to the Commissioner of DOH, for the Project, in the amount and on the terms set forth in Paragraph 4 of Exhibit D hereto.

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

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

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

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

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

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

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

principles and practices.

"First Mortgage" shall mean Midland Loan Services, Inc. ("MLS"), a California corporation (or a financial institution or other entity acceptable to the Commissioner of DOH), or the then holder of the FHA-Insured Loan if MLS is not then such holder.

"General Contractor" shall mean Linn-Mathes, Inc., or other entity acceptable to the Commissioner of DOH.

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

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

"IHDA Loan" shall mean the loan made by the Illinois Housing Development Authority, or a financial institution or other entity acceptable to the Commissioner of DOH, for the Project, in the amount and on the terms set forth in Paragraph 3 of Exhibit D hereto.

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

"Incremental Taxes Fund" shall mean the 24<sup>th</sup>/Michigan Redevelopment Project Area Special Tax Allocation Fund created pursuant to the TIF Ordinances.

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

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

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

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

"Phase II" shall mean the rehabilitation of the two residential structures located at 30 W. Cermak and 2030 S. State, each in Chicago, Illinois, including renovation/construction of community rooms, office space and laundry areas, the performance of related landscaping and



other site work, and construction of parking spaces.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project prepared by Lisec & Biederman, Ltd., or other entity acceptable to the Commissioner.

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

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

"Project Costs" shall mean all of the costs incurred in connection with the Project.

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

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

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

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

"Term of the Agreement" shall mean the term commencing on the date of execution of this Agreement and ending July 21, 2022.

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

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

"Title Company" shall mean Title Services, Inc.

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

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

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### SECTION 3. THE PROJECT

#### 3.01 The Project.

The Developer shall commence and complete construction of the Project in accordance with the dates set forth for same in the Plans and Specifications, subject to the provisions of Section 18.16 of this Agreement.

The Project shall be carried out in accordance with the Plans and Specifications for the Project. In the event that HUD grants an extension of time for commencement or completion of construction, the Developer shall notify the City within five business days after receipt of notice of such extension and the foregoing dates shall be automatically extended accordingly.

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

Any material amendment to the Plans and Specifications must be submitted to DOH for its approval.

3.03 Project Budget. The Developer has furnished to DOH, and DOH has approved, the Project Budget. The Developer hereby certifies to the City that (a) Lender Financing and Other Funds shall be sufficient to pay all Project Costs (other than the TIF-Funded Interest Costs) and (b) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer hereby represents to the City that the Lender Financing is (a) along with Other Funds and the City Funds, necessary to pay for all Project Costs and (b) available to be drawn upon to pay for certain Project Costs in accordance with the terms of the documents securing the Lender Financing.

3.04 Other Approvals. Construction of the Project and purchase of materials shall not commence until the Developer has obtained all permits and approvals required by state, federal or local statute, ordinance or regulation and the General Contractor has delivered to the Developer performance and payment bonds in the full amount of the construction contract for the Project.

3.05 Survey Updates. Upon DOH's request, the Developer shall provide three as-built Surveys to DOH reflecting improvements made to the Property.

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

- (a) at the time of execution of this Agreement, an original executed Architect's Opening Certificate in the form attached hereto as Exhibit H-1;
- (b) during construction of the Project on a monthly basis, a copy of AIA Form G-703, or a comparable form containing the same information as AIA Form G-703, and inspection reports; and
- (c) upon completion of the Project, an original executed Architect's Completion Certificate in the form attached hereto as Exhibit H-2.

#### **SECTION 4. FINANCING FOR THE PROJECT COSTS**

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

4.02 Reimbursement for TIF-Funded Interest Costs.

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

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

(ii) 30 percent (or such higher percentage as may be authorized under the Act and the Plan) of the total (A) cost paid or incurred by the Developer on the Project, plus (B) redevelopment project costs (excluding any property assembly costs and relocation costs) incurred by the City pursuant to the Act.

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

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

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes Attributable to the Tax Parcels Comprising the Property	\$750,000

The Developer acknowledges and agrees that the City has committed to reserve only the Incremental Taxes attributable to the tax parcels comprising the Property and that the Developer

has no right or claim to, and the City shall be free to otherwise reserve, pledge and commit to other redevelopment projects or financing, the Incremental Taxes attributable to the other tax parcels in the Redevelopment Area. The City acknowledges and agrees that the Developer shall have a first priority claim to the Available Incremental Revenues committed and reserved under this Section 4.04.

## SECTION 5. GENERAL PROVISIONS

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

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

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

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

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

## SECTION 6. CONDITIONS

The following conditions shall be complied with to the City's satisfaction within the time periods set forth below:

6.01 Title Policy. On the Closing Date, the Developer shall provide the City with a copy of the Title Policy showing the Developer in the title to (or holding a leasehold interest in, as applicable) each site comprising the Property.

6.02 Survey. The Developer has furnished the City with a Survey of each site comprising the Property prior to the execution of this Agreement.

6.03 Insurance. The Developer, at its own expense, shall insure each site comprising the Property in accordance with Section 13 hereof.

6.04 Opinion of Developer's Counsel. The Developer shall furnish the City with an opinion of counsel upon the execution of this Agreement in the form as may be reasonably required by or acceptable to Corporation Counsel.

## **SECTION 7. AGREEMENTS WITH CONTRACTORS**

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

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

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

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

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

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

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

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

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

provided or materials supplied shall be let to persons or entities whose main office and place of business are located within the City, subject to applicable HUD regulations.

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

The Developer shall cause or require the provisions of this Section 7.01 to be included in all construction contracts and subcontracts related to the Project.

7.02 Maintaining Records. On a monthly basis until completion of construction of the Project, the Developer shall provide to DOH reports in a form satisfactory to DOH evidencing its compliance with Section 7.01.

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

## SECTION 8. COMPLETION OF CONSTRUCTION

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

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



and remedies pursuant to such executory terms.

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

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

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

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

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

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

## **SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER**

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

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

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

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

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

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

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

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

(g) it is not aware of any default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which it is a party or by which it is bound which would materially affect its ability to perform hereunder;

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

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

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

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

9.04 Use of Available Incremental Revenues. Available Incremental Revenues disbursed to, or on behalf of, the Developer shall be used solely to pay or reimburse the Developer for the TIF-Funded Interest Costs as provided in this Agreement.

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

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

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

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

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

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

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

to the City an executed original of this Agreement showing the date and recording number of record.

9.12 Real Estate Provisions.

(a) Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project, including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer shall have the right to challenge real estate taxes applicable to the Property provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DOH of the Developer's intent to contest or object to a Governmental Charge and, unless, at DOH's sole option, (i) the Developer shall demonstrate to DOH's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DOH in such form and amounts as DOH shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DOH thereof in writing, at which time DOH may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DOH's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DOH deems advisable. All sums so paid by DOH, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly paid to DOH by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, City, in its sole discretion, may require the Developer to submit to City audited Financial Statements at the Developer's own expense. Developer's right to challenge real

estate taxes applicable to the Property is limited as provided for in Section 9.12(b) below.

(b) Real Estate Taxes.

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

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that this Agreement is in effect; provided, that nothing contained in this provision shall preclude the CHA from applying for and receiving a real estate tax exemption for the PHA-Assisted Units (as defined in the Regulatory and Operating Agreement), the Developer from applying for and receiving a real estate tax abatement for the PHA-Assisted Units (as defined in the Regulatory and Operating Agreement), or the Developer from seeking and obtaining abatements of real estate taxes for the Project, subject to the restrictions of clause (iii) below.

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

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

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

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

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

## **SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY**

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

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

## **SECTION 11. EMPLOYMENT OPPORTUNITY**

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

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin,

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

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

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

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

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

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

or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 11.

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

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

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

Prior to the commencement of the Project, the Developer shall be required to meet with the monitoring staff of DOH with regard to the Developer's compliance with its obligations under this Section 11. The General Contractor and all major Subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to DOH its plan to achieve its obligations under this Section 11, the sufficiency of which shall be approved by DOH. During the Project, the Developer shall submit the documentation required by this Section 11 to the monitoring staff of DOH. Failure to submit such documentation on a timely basis, or a determination by DOH, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 11, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided hereunder, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payments to, or on behalf of, the Developer, or (3) seek any other remedies against the Developer available at law or in



equity.

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

## SECTION 12. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, and the Redevelopment Plan.

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

## SECTION 13. INSURANCE

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

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

(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

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

(b) Construction: Prior to the construction of any portion of the Project, the Developer shall procure and maintain, or cause to be maintained, the following kinds and amounts of insurance:(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included.

(iii) Automobile Liability Insurance

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

(iv) All Risk Builders Risk Insurance

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

(v) Professional Liability

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

(c) Other Provisions

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

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

The Developer agrees, and shall cause its insurers and the insurers of each contractor and

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subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

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

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

#### **SECTION 14. INDEMNIFICATION**

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

#### **SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT**

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

entered into by the Developer with respect to the Project.

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

## SECTION 16. DEFAULT AND REMEDIES

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

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

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

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

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the permitted liens consented to by the City and the mortgages, regulatory and land use agreements relating to the Lender Financing or the use of certain Project units by the Chicago Housing Authority, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

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

(h) a change in the Developer's general partner, addition of a general partner or sale or other transfer of all or a controlling interest in the ownership of the general partner without DOH's prior written consent; provided, however, that the City's consent shall not be required if the General Partner is changed to the administrative general partner named in the Partnership Agreement; or

(i) a change in the ownership of the Project without DOH's prior written consent.

16.02 Remedies. (a) Subject to the provisions of paragraph (b) of this section, upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be awarded damages for failure of performance, or both, provided, however, that the City shall not obtain a lien against the Property. Any monetary remedies, including but not limited to judgments, are payable from distributable Surplus Cash only.

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

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

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upon further written request from the Developer to the City delivered during such 60-day period, said 60-day period shall be extended to 90 days; provided, further, that such default is cured in any event within 120 days of the date of the Developer's receipt of a written default notice; and provided further, however, that notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of any default made or tendered by one or more of the Developer's limited partners shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by the Developer.

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

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

## SECTION 17. NOTICE

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

If to City:                      City of Chicago  
   Department of Housing  
   318 South Michigan Avenue  
   Chicago, IL 60604

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Attention: Commissioner  
cc: Manager of Special Finance

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

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

If to Developer: Hilliard Homes I Limited Partnership  
c/o Holsten Management Corporation  
1333 N. Kingsbury, Suite 305  
Chicago, Illinois 60622

and: Midland Loan Services, Inc.  
100 Pine Street, 16<sup>th</sup> Floor  
San Francisco, CA 94111

and: Alliant Asset Management Company, LLC  
21550 Oxnard Street - Suite 1020  
Woodland Hills, CA 91367  
Attention: Shawn Horwitz

and: U.S. Department of Housing and Urban  
Development  
Chicago Regional Office, Region V  
77 West Jackson Boulevard  
Chicago, Illinois 60604  
Attn: Director of Multifamily Housing  
HUD Project No: 071-35709

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



to subsection (d) shall be deemed received two business days following deposit in the mail.

## SECTION 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

18.10 Severability. If any provision in this Agreement, or any paragraph, sentence,

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

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

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

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City or DOH, or any matter is to be to the City's or DOH's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DOH in writing and in its reasonable discretion thereof. The Commissioner of DOH or other person designated by the Mayor of the City shall act for the City or DOH in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

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

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

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

obligations hereunder.

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

18.18. No Business Relationship with City Elected Officials Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to any of the Loan Documents, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Redevelopment Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Redevelopment Agreement or the transactions contemplated thereby.

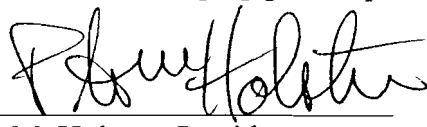
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

**HILLIARD HOMES I LIMITED PARTNERSHIP**, an Illinois limited partnership

By: HH1 DEVELOPMENT CORPORATION, an Illinois corporation and its managing general partner

By:   
Peter M. Holsten, President

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

By: \_\_\_\_\_  
John G. Markowski  
Commissioner

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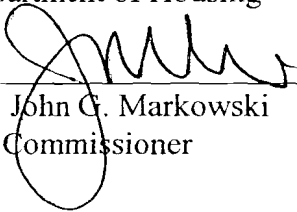
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**HILLIARD HOMES I LIMITED PARTNERSHIP**, an Illinois limited partnership

By: HH1 DEVELOPMENT CORPORATION, an Illinois corporation and its managing general partner

By: \_\_\_\_\_  
Peter M. Holsten, President

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

By:  \_\_\_\_\_  
John G. Markowski  
Commissioner

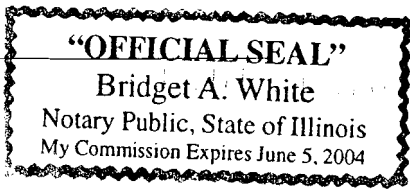
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STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Bridget A. White, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Peter Holsten, personally known to me to be the President of HHI Development Corporation, an Illinois corporation (the "Corporation") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 30<sup>th</sup> day of Oct, 2002 in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation as his free and voluntary act and as the free and voluntary act of the Corporation, as the managing general partner of Hilliard Homes I Limited Partnership, for the uses and purposes therein set forth.

Bridget A. White  
Notary Public

My commission expires \_\_\_\_\_  
(SEAL)

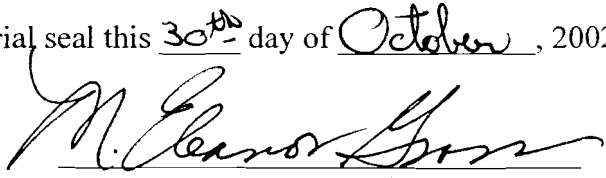


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STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK         )

I, the undersigned, a notary public in and for the County and State aforesaid, DO  
HEREBY CERTIFY THAT John G. Markowski, personally known to me to be the \_\_\_\_\_  
\_\_\_\_\_ Commissioner of the Department of Housing of the City of  
Chicago, Illinois (the "City") and personally known to me to be the same person whose name is  
subscribed to the foregoing instrument, appeared before me this day in person and acknowledged  
that as such \_\_\_\_\_ Commissioner, (s)he signed and delivered the said instrument pursuant to  
authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said  
City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30<sup>th</sup> day of October, 2002.



Notary Public



(SEAL)

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**EXHIBIT A**

**REDEVELOPMENT AREA LEGAL DESCRIPTION**

[see attached]



Plan pursuant to Section 5/11-74.4-4 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.4-4 of the Act.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provisions of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: June 8, 1999

[(Sub)Exhibits "A" and "B" referred to in this Resolution 99-CDC-101 unavailable at time of printing.]

*Exhibit "C".*  
(To Ordinance)

*Legal Description.*

That part of the southeast quarter of Section 21, Township 39 North, Range 14 East, that part of the southwest quarter of Section 22, Township 39 North, Range 14 East, that part of the northeast quarter of Section 28, Township 39 North, Range 14 East and that part of the northwest quarter of Section 27, Township 39 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois, described as follows:

*Exhibit A*

beginning at the intersection of the southerly right-of-way line of West Cullerton Street and the westerly right-of-way line of South State Street; thence southerly on said westerly right-of-way line of South State Street to the southerly line extended westerly of Block 7 in Canal Trustees' Subdivision of the west half of Section 27, Township 39 North, Range 14 East of the Third Principal Meridian according to the plat thereof recorded September 4, 1848 (ante fire) and rerecorded September 24, 1877 as Document Number 151615 in Cook County, Illinois; thence easterly on said westerly extension to the easterly right-of-way line of South State Street; thence southerly along the easterly right-of-way line of said South State Street to the northerly line of the south 100 feet of the west 111.75 feet of Block 20 in Canal Trustees' Subdivision of the west half of said Section 27, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded September 4, 1848 and rerecorded September 24, 1877 as Document Number 15615 in Cook County, Illinois; thence easterly on the north line to the westerly right-of-way line of the C.T.A.; thence northerly on said westerly right-of-way line to the south line of Block 7 in said Canal Trustees' Subdivision; thence easterly on said southerly line to the west line of the east 197.4 feet of said Block 7; thence northerly on said west line to the north line of the south 112.83 feet of said east 197.4 feet; thence easterly on said north line and the north line extended easterly to the centerline of South Wabash Avenue; thence southerly on said centerline to the westerly extension of the southerly line of Block 8 in said Canal Trustees' Subdivision; thence easterly on said westerly extension of said southerly line, the southerly line and the easterly extension of said line to the easterly right-of-way line of South Michigan Avenue; thence northerly on said easterly right-of-way line to the southerly line of Lot 4 in Assessor's Division of the west part of Block 4 of the west half of Section 27, Township 39 North, Range 14 East of the Third Principal Meridian and the north 185 feet of Block 40 in Canal Trustees' Subdivision of the west half of Section 27, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois; thence easterly along said southerly line of Lot 4 to the easterly line of the north and south alley adjoining said Lot 4; thence northerly on said east alley line to the southerly line of West 22<sup>nd</sup> Street (Cermak Road) as widened; thence easterly on said southerly line to the easterly right-of-way line of said South Indiana Avenue; thence southerly on said easterly right-of-way line to the southerly line of Lot 10 in the subdivision of Block 17 in said Canal Trustees' Subdivision of the west half of Section 27; thence easterly on said extension and said line to the northeasterly right-of-way line of South Cottage Grove Avenue; thence northwesterly on said northeasterly right-of-way line to the westerly line of Lot 7 in Gould's Subdivision of Block 3 in said Canal Trustees' Subdivision; thence northerly on said westerly line of Lot 7 and the westerly line extended northerly to the northerly line of an east and west alley; thence easterly on said northerly line of the alley to the west right-of-way line of South Prairie

Avenue, said point also being the southeast corner of Lot 6 in Hale's Subdivision of Lots 1 and 2 in Block 3 in said Canal Trustees' Subdivision; thence southerly on said west right-of-way line of South Prairie Avenue to an intersection with the westerly extension of the north line of an east and west alley, said line also being the southerly line of Lots 1 to 11, both inclusive, in Assessor's Division of Blocks 2, 12 and 15 (except the east half of the south 120 feet of Block 15) in said Canal Trustees' Subdivision; thence easterly along said northerly line of the east and west alley extended westerly to the easterly right-of-way line of South Prairie Avenue; thence southerly on said easterly right-of-way line to the southerly right-of-way line of East 24<sup>th</sup> Place; thence westerly on said southerly right-of-way line to the northerly line of Adlai E. Stevenson Expressway; thence westerly, southwesterly and northwesterly on said northerly right-of-way line of the expressway to the easterly right-of-way line of the New York Central Railroad right-of-way; thence northerly on said easterly right-of-way to the southerly right-of-way line of 22<sup>nd</sup> Street (Cermak Road); thence westerly on said southerly right-of-way line to the westerly right-of-way line of said New York Central Railroad; thence southerly on said westerly railroad right-of-way to the southerly right-of-way line of 23<sup>rd</sup> Street; thence westerly on said southerly right-of-way line of 23<sup>rd</sup> Street to the westerly right-of-way line of South LaSalle Street; thence northerly on said westerly right-of-way line to the southerly right-of-way line of 22<sup>nd</sup> Street (Cermak Road); thence westerly on said southerly right-of-way line to the centerline of South Wentworth Avenue; thence northerly on said centerline to the southeasterly extension of a northwest and southeast alley; thence northwesterly on said southeasterly extension, the southeasterly line and northwesterly extension to the northwesterly right-of-way line of South Archer Avenue; thence northeasterly on said northwesterly right-of-way line to the southerly right-of-way line of West Cullerton Street; thence easterly on said southerly line to the point of beginning, all in Cook County, Illinois.

*Exhibit "D".*  
(To Ordinance)

*Street Location Of The Area.*

The boundaries of the Redevelopment Project Area are West Cullerton Street on the north, the Adlai E. Stevenson Expressway on the south, South Prairie Avenue on the east, South Wentworth Avenue and the Metra Northwest Illinois Rail Corp. on the west.

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**EXHIBIT B**  
**LEGAL DESCRIPTION**

[see attached]

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~~XXXXXXXXXX~~  
**LEGAL DESCRIPTION**

THAT PART OF BLOCKS 33, 34, 35, 48, 49 AND 50, TOGETHER WITH THOSE PARTS OF VACATED STREETS AND VACATED ALLEYS LYING WITHIN SAID BLOCKS, IN CANAL TRUSTEE'S NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTIONAL SOUTHEAST FRACTIONAL QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 50 AFORESAID; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, ALONG THE WEST LINE OF SAID BLOCK 50, A DISTANCE OF 73.00 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 02 SECONDS EAST, PERPENDICULAR TO THE LAST DESCRIBED LINE, 25.00 FEET; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, 46.35 FEET; THENCE NORTH 89 DEGREES 55 MINUTES 02 SECONDS WEST, 25.00 FEET TO THE WEST LINE OF BLOCK 50 AFORESAID; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, ALONG SAID WEST LINE, 155.73 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 02 SECONDS EAST, 33.93 FEET; THENCE SOUTH 0 DEGREES 04 MINUTES 58 SECONDS WEST, 16.00 FEET; THENCE SOUTH 89 DEGREES 55 MINUTES 02 SECONDS EAST, 80.00 FEET; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, 80.30 FEET; THENCE NORTH 89 DEGREES 55 MINUTES 02 SECONDS WEST, 80.00 FEET; THENCE SOUTH 0 DEGREES 04 MINUTES 58 SECONDS WEST, 16.34 FEET; THENCE NORTH 89 DEGREES 55 MINUTES 02 SECONDS WEST, 33.93 FEET TO THE WEST LINE OF BLOCK 50 AFORESAID; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, ALONG SAID WEST LINE, 56.15 FEET TO A POINT 19.29 FEET SOUTH (AS MEASURED ALONG SAID WEST LINE) OF THE NORTHWEST CORNER OF BLOCK 50 AFORESAID; THENCE SOUTH 89 DEGREES 55 MINUTES 02 SECONDS EAST, 90.00 FEET; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, 100.00 FEET; THENCE NORTHWESTERLY 93.77 FEET ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHEAST HAVING A RADIUS OF 186.41 FEET AND WHOSE CHORD BEARS NORTH 75 DEGREES 50 MINUTES 31 SECONDS WEST, 92.79 FEET TO A POINT ON THE WEST LINE OF BLOCK 33 AFORESAID, SAID POINT BEING 37.28 FEET NORTH (AS MEASURED ALONG SAID WEST LINE) OF THE SOUTHWEST CORNER OF BLOCK 33 AFORESAID; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, ALONG SAID WEST LINE, 215.98 FEET TO THE INTERSECTION WITH THE NORTH LINE OF THE SOUTH 2.30 FEET OF LOT 3 IN BLOCK 33 AFORESAID, WHOSE WESTERLY EXTENSION IS THE NORTHERLY TERMINUS OF VACATED S. DEARBORN STREET PER DOCUMENT NUMBER 19164304 RECORDED JUNE 23, 1964; THENCE NORTH 89 DEGREES 54 MINUTES 03 SECONDS WEST, ALONG SAID WESTERLY EXTENSION, 66.00 FEET TO THE EAST LINE OF BLOCK 34 AFORESAID; THENCE NORTH 0 DEGREES 04 MINUTES 58 SECONDS EAST, ALONG SAID EAST LINE, 113.24 FEET TO THE NORTHEAST CORNER OF SAID BLOCK 34; THENCE NORTH 89 DEGREES 54 MINUTES 03 SECONDS WEST, ALONG THE NORTH LINE OF SAID BLOCK 34, A DISTANCE OF 179.12 FEET TO THE NORTHEASTERLY EXTENSION OF THE NORTHWESTERLY LINE OF BLOCK 35 AFORESAID; THENCE SOUTH 58 DEGREES 12 MINUTES 42

*Exhibit B*

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SECONDS WEST, ALONG SAID NORTHEASTERLY EXTENSION AND NORTHWESTERLY LINE OF SAID BLOCK 35, A DISTANCE OF 180.75 FEET TO THE NORTHWEST CORNER OF BLOCK 35 AFORESAID; THENCE SOUTH 0 DEGREES 01 MINUTES 39 SECONDS EAST, ALONG THE WEST LINE OF BLOCK 35 AND BLOCK 48 AFORESAID AND THEIR EXTENSIONS, 559.78 FEET TO THE INTERSECTION WITH THE SOUTH LINE OF THE NORTH 1/2 OF LOT 5 IN BLOCK 48 AFORESAID; THENCE SOUTH 89 DEGREES 53 MINUTES 58 SECONDS EAST, ALONG SAID SOUTH LINE, 132.77 FEET TO THE INTERSECTION WITH THE EAST LINE OF BLOCK 48 AFORESAID; THENCE SOUTH 0 DEGREES 01 MINUTES 40 SECONDS WEST, ALONG SAID EAST LINE, 175.68 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 48; THENCE SOUTH 89 DEGREES 53 MINUTES 42 SECONDS EAST, ALONG THE SOUTH LINE OF BLOCK 49 AFORESAID AND ITS EXTENSIONS, 264.60 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Property Address: 2031 and 2111 South Clark Street, Chicago, Illinois..

PIN:

- |                         |                         |
|-------------------------|-------------------------|
| 17-21-417-006, vol. 511 | 17-21-424-002, vol. 511 |
| 17-21-417-017, vol. 511 | 17-21-424-007, vol. 511 |
| 17-21-417-018, vol. 511 | 17-21-424-011, vol. 511 |
| 17-21-417-019, vol. 511 | 17-21-424-018, vol. 511 |
|                         | 17-21-424-019, vol. 511 |
| 17-21-418-013, vol. 511 | 17-21-424-020, vol. 511 |
| 17-21-418-015, vol. 511 | 17-21-424-021, vol. 511 |
| 17-21-418-029, vol. 511 | 17-21-424-022, vol. 511 |
| 17-21-418-030, vol. 511 | 17-21-424-023, vol. 511 |
| 17-21-418-032, vol. 511 |                         |
|                         | 17-21-419-005, vol. 511 |
| 17-21-423-018, vol. 511 | 17-21-419-007, vol. 511 |
| 17-21-423-019, vol. 511 |                         |
| 17-21-423-022, vol. 511 | 17-21-425-032, vol. 511 |
|                         | 17-21-425-036, vol. 511 |

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**EXHIBIT C**

**REDEVELOPMENT PLAN**

[OMITTED FOR RECORDING PURPOSES]

[see attached]

21200512

**EXHIBIT D**  
**FINANCING FOR THE PROJECT**

[see attached]



2126

FINANCING FOR THE PROJECT

Total amounts of the respective Equity, Loans or Grants:

Equity:	\$17,603,602
Loan by Midland Loan Services, Inc., a Delaware corporation (FHA-Insured Loan):	\$4,388,000
Loan by Bank of America, N.A., a national banking association:	\$10,800,000
Loan by Chicago Housing Authority, an Illinois municipal corporation (CHA Loan):	\$22,250,000
Loan by Illinois Housing Development Authority, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq. (IHDA Loan):	\$750,000
Loan by City of Chicago, a municipal corporation:	\$1,425,779
<b>TOTAL PROJECT COSTS:</b>	<b>\$57,217,381</b>

Exhibit D

21200512

**EXHIBIT E**

**REIMBURSEMENT OF TIF-FUNDED INTEREST COSTS  
FROM AVAILABLE INCREMENTAL REVENUES, IF ANY**

<u>Tax Year*</u>	<u>Amount</u>
2002	
2003	
2004	\$ 76,000
2005	\$ 89,000
2006	\$143,000
2007	\$177,000
2008	\$177,000
2009	\$ 88,000
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	**
<b>TOTAL*** \$750,000</b>	

- \* Collection occurs in the calendar year following the Tax Year
- \*\* This payment may be made only to the extent permitted under the Act.
- \*\*\* Subject to Section 4.02(a)

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**EXHIBIT F**

**PROJECT BUDGET**

[see attached]

SWORN OWNER'S STATEMENT  
Hillard Homes Phase 1  
CLOSING DRAW

21200512

The affiant, HILLARD HOMES 1 Limited Partnership, being duly sworn on oath and says that it is the owner/beneficiary of the following described premises in Cook County, Illinois, to wit: (see attached legal descriptions)

- That it is thoroughly familiar with all the facts and circumstances concerning the premises described above;
- That during the six months last past no work done or materials furnished in connection with the premises are listed below;
- That no any contracts for the furnishing of labor work or materials relating to the contemplated improvements are listed below;
- That this statement is a true and complete statement of all such contracts, previous payments and balances due if any.

Name and Address	Kind of Work	Contract Total	Adjustments	Adjusted Total	Previously Paid	Amount Now Due	Balance
CHA	Acquisition	5,280,000.00		5,280,000.00		5,280,000.00	0.00
Lin Mathes Inc	Construction	27,884,224.00		27,884,224.00		192,786.84	27,691,437.16
Loac & Biederman	Architect Design	482,506.00		251,299.82		256,206.18	0.00
Holston REDC				126,100.18		126,793.27	206.91
HRDC	Design Reimbursement	23,000.00		23,000.00		23,000.00	0.00
Loac & Biederman	Architect Supervision	150,000.00		150,000.00			150,000.00
HH Limited Partnership	Furnishings	86,228.00		86,228.00			86,228.00
The Luxe Condominium Setup	Environmental Remediation	800,000.00		800,000.00		150,000.00	650,000.00
Lin Mathes Inc	Contingency	2,878,640.00		2,678,600.00			2,678,600.00
Applegate, Thorne & Thorne	Legal Partnership	426,000.00		223,801.00		206,000.00	20,000.00
Holston REDC				180,000.00		180,000.00	0.00
Alliant	Legal-Syndicator	74,000.00		74,000.00		74,000.00	0.00
TJGA, Pylingrow, Allen & Payne	Consultant-Financial	6,000.00		2,213.02		2,215.02	0.00
Holston REDC				3,484.85		6,494.95	0.00
Phil Krue	Consultant-Historical	21,500.00		21,500.00		21,500.00	0.00
Holston REDC				15,625.00		15,625.00	0.00
Johnson-Libert BRANT	Accounting	90,000.00		50,000.00		50,000.00	24,000.00
Holston REDC	Market Study	9,000.00		9,000.00		8,575.43	24.57
Midwest Environmental Consulting Services	Environmental Report	50,000.00		38,007.50			50,000.00
Holston REDC				18,002.50		18,002.50	0.00
Cook County Assessor	Construction Period Taxes	100,000.00		100,000.00			100,000.00
Midland Loan Services	Real Estate Escrow	120,000.00		120,000.00			120,000.00
Midland Loan Services	Interstate Escrow	60,000.00		60,000.00			60,000.00
Title Services	Title & Recording	45,000.00		45,000.00		45,000.00	0.00
McIntyre Insurance	Construction Period Ins	213,000.00		213,000.00		103,822.00	109,178.00
Developers Mortgage	Lenders Fees	320,326.00		320,326.00		296,494.00	23,832.00
National Survey				7,043.11		221.00	6,782.11
Appraisal Research	Appraisal & Survey	30,000.00		19,000.00		19,000.00	0.00
Holston REDC				17,000.00		17,000.00	0.00
Midland Loan Services	Net Construction Interest	312,977.00		312,977.00			312,977.00
Bank of America	Equity B-Bond Interest	430,302.00		430,302.00			430,302.00
	CHA B-Bond Interest	230,867.00		230,867.00			230,867.00
	Gov't Bond Related Costs	433,000.00		433,000.00		433,000.00	0.00
Holston REDC	Permit Application	7,400.00		7,400.00		6,118.00	1,282.00
Holston REDC	Marketing & Leasing	226,000.00		226,000.00			226,000.00
Holston REDC	Tenant Refereed	134,000.00		228,000.00		100,000.00	128,000.00
HEM Inc.	Unit Preparation- relocation	194,000.00		194,000.00		166,780.87	27,219.13
Holston REDC	Predevelopment Loan Interest	34,000.00		34,000.00		33,527.00	473.00
Holston REDC	Developers Fees	1,873,000.00		1,873,000.00		403,232.00	1,469,768.00
Bank of America	Bridge Lender fees	275,000.00		248,000.00		190,000.00	148,000.00
Holston REDC				20,000.00		20,000.00	0.00
Holston REDC	Target Services	170,000.00		170,000.00		20,100.00	149,900.00
Holston REDC	Take Up Reserve	500,000.00		600,000.00			600,000.00
Holston REDC	Construction Period Carry Costs	1,107,000.00		1,107,000.00		276,570.00	830,430.00
Midland Loan Services	TF Reserve	110,000.00		110,000.00		110,000.00	0.00
Midland Loan Services	Operating Reserve	1,020,000.00		1,020,000.00		426,771.00	593,229.00
Bank of America	SEP Advance Int Pmt	800,000.00		500,000.00		600,000.00	0.00
TOTALS		47,130,255.00		47,130,255.00	0.00	18,117,961.54	29,012,293.46

Signed:

HH1 LIMITED PARTNERSHIP  
By: HH Development Corporation, its general partner

Subscribed and sworn to before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 2002.

Notary Public

Patric Holston, President

Exhibit F

10/24/2002

21200512

**EXHIBIT G**

**LIST OF PLANS AND SPECIFICATIONS**

[see attached]

21200512

**LISEC & BIEDERMAN, LTD. ARCHITECTS/PLANNERS**  
412 SOUTH WELLS, SUITE 900, CHICAGO IL 60607 312/663-5430

INDEX TO THE DRAWINGS		DATE LAST ISSUED
T1-1	TITLE SHEET, GENERAL NOTES, UNIT COUNT, LOCATION MAP	10/4/02
S1-1	OVERALL SITE PLAN	"
C1-1	UTILITY AND GEOMETRIC PLAN	"
C1-2	GRADING AND EROSION CONTROL PLAN	"
C2-1	DETAILS AND GENERAL NOTES	"
C3-1	DEMOLITION PLAN	"
L1	REVISED OVERALL LANDSCAPE PLAN PER PERMIT	"
L1-1.0	LANDSCAPE KEY PLAN AND NOTES	"
L1-1.1	NW QUADRANT PLAN	"
L1-1.2	SW QUADRANT PLAN	"
L1-1.3	SE QUADRANT PLAN	"
L1-1.4	NE QUADRANT PLAN	"
L1-2.0	UNDERDRAINAGE PLAN	"
L2-1.1	DETAIL/PLANTING LAYOUTS	"
L2-1.2	DETAIL/PLANTING LAYOUTS	"
L2-2.1	DETAIL/PLANTING LAYOUTS	"
L2-2.2	LANDSCAPE PLANTING SECTIONS	"
L2-2.3	LANDSCAPE UNDERDRAINAGE DETAIL	"
A1-1.1	SENIOR BUILDINGS (3&4) AND ACTIVITY CENTER: OVERALL 3/32" PLANS	"
A1-1.2	ACTIVITY CENTER: GROUND FLOOR PLAN	"
A1-1.3	SENIOR BUILDING: FIRST FLOOR PLAN	"
A1-1.4	SENIOR BUILDING: TYPICAL FLOOR PLAN	"
A1-1.5	SENIOR BUILDING: 16TH FLOOR PLAN	"
A1-1.6	SENIOR BUILDING: ROOF PLANS AND BASEMENT PLAN	"
A1-2.1	SENIOR BUILDING AND ACTIVITY CENTER: SOUTH BUILDING ELEVATIONS	"
A1-2.2	SENIOR BUILDING AND ACTIVITY CENTER: EAST BUILDING ELEVATIONS	"
A1-2.3	SENIOR BUILDING AND ACTIVITY CENTER WEST BUILDING ELEVATIONS	"

*Exhibit G*

21200512

A1-2.4	SENIOR BUILDING AND ACTIVITY CENTER NORTH BUILDING ELEVATIONS	10/4/02	EM1-1
A1-2.5	SENIOR BUILDING: EAST AND NORTH BUILDING ELEVATIONS	"	EM1-2
A1-4.1	SENIOR BUILDING: ACCESSIBILITY COMPLIANCY SCHEDULES	"	EM1-3
A1-4.2	SENIOR BUILDING: INTERIOR ELEVATIONS	"	EM1-4
A1-5.1	SENIOR BUILDING: PARTITION TYPES, DOOR, ROOF AND MISCELLANEOUS DETAILS	"	FA1-1
A1-5.2	SENIOR BUILDING: WINDOW DETAILS	"	FA1-2
A1-6.1	SENIOR BUILDING: DOOR, WINDOW AND FINISH SCHEDULES; LIGHT/VENT CALCULATIONS	"	FA1-3
			FA1-4
S1.0	GENERAL NOTES AND TYPICAL DETAILS	"	
S1.2	CONCRETE OPENING CUT DETAIL	"	FP1-0
S1.3	CHILLER SUPPORT DETAIL	"	FP1-1
S2.0	SENIOR BUILDING TYPICAL FLOOR PLAN	"	FP1-2
S2.1	SENIOR BUILDING ROOF PLAN	"	FP1-3
S3.0	ACTIVITY CENTER ROOF PLAN	"	
			T2-1
M1-1	SENIOR AND ACTIVITY FIRST FLOOR PLAN	"	
M1-2	SENIOR BUILDING FIRST, TYPICAL AND 16TH FLOOR PLAN	"	S2-1
M1-3	SENIOR AND ACTIVITY CENTER ROOF PLANS	"	
M1-4	DIAGRAMS AND SCHEDULES	"	A2-1.1
M1-5	DIAGRAMS AND SCHEDULES	"	
			A2-1.2
P1-1	SENIOR AND ACTIVITY FIRST FLOOR PLAN	"	A2-1.3
P1-2	SENIOR BUILDING FIRST, TYPICAL AND 16TH FLOOR PLAN	"	A2-1.4
		"	A2-1.5
P1-3	DIAGRAMS AND SCHEDULES	"	A2-1.6
			A2-2.1
E1-1	SENIOR AND ACTIVITY FIRST FLOOR PLAN	"	
E1-2	SENIOR BUILDING FIRST, TYPICAL AND 16TH FLOOR PLAN	"	A2-2.2
		"	A2-2.3
E1-3	SENIOR AND ACTIVITY CENTER ROOF PLANS	"	
E1-4	ELECTRICAL RISER DIAGRAM FOR 2111 SOUTH CLARK STREET (BUILDINGS #4 AND #5)	"	A2-3.1
E1-6	DIAGRAMS AND SCHEDULES	"	

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EM1-1	EMERGENCY LIGHTING PLAN: OVERALL FIRST FLOOR SENIOR COMPLEX PLAN	10/4/02
EM1-2	EMERGENCY LIGHTING PLAN: SENIOR BUILDING BASEMENT, FIRST, TYPICAL AND 16TH FLOOR PLANS	"
EM1-3	EMERGENCY LIGHTING PLAN: MACHINE DECK/ PENTHOUSE AND ROOF PLANS	"
EM1-4	EMERGENCY LIGHTING PLAN: RISER DIAGRAM FOR 2111 SOUTH CLARK STREET (BUILDINGS #4 & #5)	"
FA1-1	FIRE ALARM: OVERALL FIRST FLOOR SENIOR COMPLEX PLAN	"
FA1-2	FIRE ALARM: SENIOR BUILDING BASEMENT, FIRST, TYPICAL AND 16TH FLOOR PLANS	"
FA1-3	FIRE ALARM: BASEMENT AND FIRST FLOOR POWER PLANS, ROOF AND PENTHOUSE FIRE ALARM PLANS	"
FA1-4	FIRE ALARM: RISER DIAGRAM FOR 2111 SOUTH CLARK STREET (BUILDINGS #4 & #5)	"
FP1-0	OVERALL FIRST FLOOR SPRINKLER PLAN	"
FP1-1	BASEMENT SPRINKLER PLAN	"
FP1-2	FIRST FLOOR SPRINKLER PLAN	"
FP1-3	TYPICAL FLOOR SPRINKLER PLAN	"
T2-1	TITLE SHEET, GENERAL NOTES, UNIT COUNT, LOCATION MAP	"
S2-1	OVERALL SITE PLAN	"
A2-1.1	FAMILY BUILDING: OVERALL 1/8" PLAN (BASEMENT, FIRST AND TYPICAL FLOORS)	"
A2-1.2	FAMILY BUILDING: PARTIAL FIRST FLOOR PLAN	"
A2-1.3	FAMILY BUILDING: PARTIAL FIRST FLOOR PLAN	"
A2-1.4	FAMILY BUILDING: PARTIAL TYPICAL FLOOR PLAN	"
A2-1.5	FAMILY BUILDING: PARTIAL TYPICAL FLOOR PLAN	"
A2-1.6	FAMILY BUILDING: ROOF PLAN, PENTHOUSE PLAN	"
A2-2.1	FAMILY BUILDING: BUILDING ELEVATIONS	"
A2-2.2	FAMILY BUILDING: BUILDING ELEVATIONS	"
A2-2.3	FAMILY BUILDING: LOBBY ADDITION ELEVATIONS	"
A2-3.1	FAMILY BUILDING: FAMILY BUILDING AND LOBBY ADDITION BUILDING SECTIONS	"



A2-4.1	FAMILY BUILDING: ACCESSIBILITY COMPLIANCY SCHEDULES	10/4/02	FP2-1
A2-4.2	FAMILY BUILDING: INTERIOR ELEVATIONS	"	FP2-2 FP2-3
A2-5.1	FAMILY BUILDING: PARTITION TYPES, DOOR, ROOF AND MISCELLANEOUS DETAILS	"	
A2-5.2	FAMILY BUILDING: WINDOW DETAILS	"	R1 R2
A2-6-1	FAMILY BUILDING: DOOR, WINDOW AND FINISH SCHEDULES; LIGHT/VENT CALCULATIONS	"	R3
A2-7.1	FAMILY BUILDING: EXISTING TYPICAL WALL SECTION AND LOBBY ADDITION WALL SECTIONS	"	R4 R5
S1-0	FAMILY BUILDING FOUNDATION PLAN	"	R6
S1-1	FAMILY BUILDING FIRST FLOOR PLAN	"	
S1-2	FAMILY BUILDING TYPICAL FLOOR PLAN	"	R7
S1-3	FAMILY BUILDING ROOF PLAN	"	R8
M2-1	BASEMENT, FIRST AND TYPICAL FLOOR PLANS	"	
M2-2	ROOF AND PENTHOUSE PLANS	"	R9
M2-3	DIAGRAMS AND SCHEDULES	"	
M2-4	DIAGRAMS AND SCHEDULES	"	R10
M2-5	DIAGRAMS AND SCHEDULES	"	R11
P2-1	BASEMENT, FIRST AND TYPICAL FLOOR PLANS	"	
P2-2	DIAGRAMS AND SCHEDULES	"	R12
E2-1	BASEMENT, FIRST AND TYPICAL FLOOR PLANS	"	R13
E2-2	ROOF AND PENTHOUSE PLANS	"	
E2-3	DIAGRAMS AND SCHEDULES	"	R14
E2-4	DIAGRAMS AND SCHEDULES	"	R15
EM2-1	EMERGENCY LIGHTING: FLOOR PLANS	"	
EM2-2	EMERGENCY LIGHTING: FLOOR PLANS/SCHEDULES	"	R16
EM2-3	EMERGENCY LIGHTING: DIAGRAMS	"	R17
FA2-1	FIRE ALARM: FLOOR PLANS	"	
FA2-2	FIRE ALARM: FLOOR PLANS, KEY PLAN, NOTES, SYMBOLS	"	R18
FA2-3	FIRE ALARM: DIAGRAMS/SCHEDULES	"	R19 R20

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FP2-1	BASEMENT SPRINKLER PLAN	10/4/02
FP2-2	FIRST FLOOR SPRINKLER PLAN	"
FP2-3	TYPICAL FLOOR SPRINKER PLAN	"
R1	CONCRETE REPAIR DRAWINGS: SITE PLAN	12/01/00
R2	CONCRETE REPAIR DRAWINGS: BUILDING #1 NORTH AND EAST ELEVATIONS	"
R3	CONCRETE REPAIR DRAWINGS: BUILDING #1 WEST AND SOUTH ELEVATIONS	"
R4	CONCRETE REPAIR DRAWINGS: BUILDING #2 NORTH AND EAST ELEVATIONS	"
R5	CONCRETE REPAIR DRAWINGS: BUILDING #2 WEST AND SOUTH ELEVATIONS	"
R6	CONCRETE REPAIR DRAWINGS: BUILDING #1 GALLERY PLANS	"
R7	CONCRETE REPAIR DRAWINGS: BUILDING #1 GALLERY PLANS	"
R8	CONCRETE REPAIR DRAWINGS: BUILDING #1 GALLERY PLANS	"
R9	CONCRETE REPAIR DRAWINGS: BUILDING #1 GALLERY PLANS	"
R10	CONCRETE REPAIR DRAWINGS: BUILDING #2 GALLERY PLANS	"
R11	CONCRETE REPAIR DRAWINGS: BUILDING #2 GALLERY PLANS	"
R12	CONCRETE REPAIR DRAWINGS: BUILDING #2 GALLERY PLANS	"
R13	CONCRETE REPAIR DRAWINGS: BUILDING #2 GALLERY PLANS	"
R14	CONCRETE REPAIR DRAWINGS: BUILDING #3 NORTH ELEVATION	"
R15	CONCRETE REPAIR DRAWINGS: BUILDINGS #3 & #4 SOUTH ELEVATIONS	"
R16	CONCRETE REPAIR DRAWINGS: BUILDINGS #3 & #4 NORTH AND EAST ELEVATIONS	"
R17	CONCRETE REPAIR DRAWINGS: BUILDINGS #3 & #4 WEST ELEVATIONS	"
R18	CONCRETE REPAIR DRAWINGS: BUILDING #4 EAST ELEVATION	"
R19	CONCRETE REPAIR DRAWINGS: DETAILS	"
R20	CONCRETE REPAIR DRAWINGS: DETAILS, NOTES	"

21200512

EXHIBIT H-1

ARCHITECT'S OPENING CERTIFICATE

Date: \_\_\_\_\_

The undersigned, Lisec & Biederman, Ltd. ("Architect"), hereby certifies to the City of Chicago, Illinois ("City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 200\_\_, by and between the City and Hilliard Homes I Limited Partnership ("Developer")):

1. Architect is an architect licensed and in good standing in the State of Illinois.
2. Architect has prepared the Plans and Specifications, to the best of the Architect's professional knowledge, the same are, and the Project will be when completed in accordance therewith, in full compliance with all applicable building, zoning and other laws, statutes, codes, regulations and ordinances (collectively, "Laws"), including, without limitation, all applicable pollution control and environmental protection regulations.
3. The Project, when completed in accordance with the Plans and Specifications, will not encroach upon any recorded or visible easement in effect with respect to the Property.
4. The Plans and Specifications are complete in all respects and were prepared in accordance with accepted architectural practices, containing all detail requisite for the Project which, when built and equipped in accordance therewith, shall be ready for occupancy.
5. In the aggregate, the construction contract and the existing subcontracts contain all detail necessary to provide for all labor, material and equipment required by the Plans and Specifications.
6. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate or, if not so obtained, the Architect has no reason to believe same will not be obtained as and when so required. Such permits and other necessary governmental approvals are described in Exhibit 1 attached to this Certificate.
7. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.

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

21200512

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

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

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

ARCHITECT:

LISEC & BIEDERMAN, LTD.

By: \_\_\_\_\_  
Its General Partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

21200512

**EXHIBIT H-2**

**ARCHITECT'S COMPLETION CERTIFICATE**

Date:

\_\_\_\_\_

The undersigned, Lisec & Biederman, Ltd. ("Architect"), hereby certifies to the City of Chicago, Illinois ("City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 200\_\_, by and between the City and Hilliard Homes I Limited Partnership ("Developer")):

1. Architect is an architect licensed and in good standing in the State of Illinois.
2. The construction of the Project has been "substantially completed" as of the date of this Certificate in accordance with the approved Plans and Specifications. For purposes hereof, the Project being "substantially completed" means that the Project is usable in its present condition for its intended purpose. The Architect's determination of the total cost to complete the construction of such portion of the Project as may be unfinished is \$ \_\_\_\_\_.
3. Neither the Property nor the construction of the Project violates or will violate any existing applicable zoning, building, environmental protection or other statutes, ordinances, laws or regulations (collectively, "Laws").
4. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate. Such permits and other necessary governmental approvals are described in Exhibit 1 attached to this Certificate.
5. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.
6. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

ARCHITECT:

LISEC & BIEDERMAN, LTD.

21200512

By: \_\_\_\_\_  
Its General Partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

21200512

**EXHIBIT I**

**REQUISITION FORM FOR TIF-FUNDED INTEREST COSTS**

The undersigned, \_\_\_[Name]\_\_\_, \_\_\_[Title]\_\_\_ of Midland Loan Services, Inc., a California corporation (the "First Mortgagee"), does hereby certify to the City of Chicago, Illinois (the "City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated \_\_\_\_\_, 20\_\_, by and between the City and Hilliard Homes I Limited Partnership ("Developer")):

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

- A. First Mortgagee \$ \_\_\_\_\_
- B. IHDA Loan \$ \_\_\_\_\_
- C. CHA Loan \$ \_\_\_\_\_

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

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

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

5. That the remaining balance of the TIF-Funded Interest Costs which are eligible for reimbursement under the Redevelopment Agreement taking this requisition into account are as follows:

	Current	Accrued and	
	Annual Unpaid	Balance	Amount
Maximum	Amount	Prior Accrued	Paid

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<u>Amount</u>	<u>Accrued</u>	<u>Requisitions<sup>1</sup></u>	<u>and Unpaid<sup>2</sup></u>	<u>To Date<sup>3</sup></u>
\$ _____	_____	_____	_____	_____

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

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

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

MIDLAND LOAN SERVICES, INC.,  
a California Corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

cc: Hilliard Homes I Limited Partnership

<sup>1</sup> Represents the sum of the following unpaid amounts for the specified years: \$ \_\_\_\_\_ for 200\_\_ ; \$ \_\_\_\_\_ for 200\_\_ ; \$ \_\_\_\_\_ for 200\_\_ .

<sup>2</sup> Sum of columns 2 and 3.

<sup>3</sup> After giving effect to the payment covered by this Requisition Form.



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**EXHIBIT J**

**SCHEDULE OF MAXIMUM AMOUNT OF TIF-FUNDED INTEREST COSTS**

<u>Tax Year*</u>	<u>Amount</u>
2002	
2003	
2004	\$ 76,000
2005	\$ 89,000
2006	\$143,000
2007	\$177,000
2008	\$177,000
2009	\$ 88,000
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
<b>TOTAL</b>	<b>\$750,000</b>

\* Collection occurs in the calendar year following the tax year.

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**EXHIBIT K**  
**ANTICIPATED**  
**MINIMUM EQUALIZED ASSESSED VALUE OF THE PROPERTY**

<u>Tax Year*</u>	<u>Min. EAV</u>
2002	
2003	
2004	\$988,040
2005	\$1,157,046
2006	\$1,859,074
2007	\$2,301,092
2008	\$2,301,092
2009	\$1,144,046
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	

\* Note that billing and collection occur in the calendar year following the Tax Year

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## HUD-REQUIRED PROVISIONS RIDER

THIS RIDER is attached to and made a part of that certain Redevelopment Agreement (the "Document"), dated as of October 1, 2002, entered into among Hilliard Homes I Limited Partnership, an Illinois limited partnership, its successors and assigns (the "Owner"), and the City of Chicago, an Illinois municipal corporation, its successors or assigns (the "Subordinate Lender") relating to the properties commonly known as Hilliard Homes - Phase 1 and located at 2031 South Clark Street and 2111 South Clark Street in the blocks bounded by Clark Street, Cullerton Street, State Street and Cermak Road in the City of Chicago.

In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; the term "FHA" shall mean the Federal Housing Administration, an organizational unit within HUD; the term "Project" shall have the same meaning as in the HUD Regulatory Agreement described below; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured Mortgage Note (as defined below) for the Project (Project No. 071-35709):

- A. Commitment for Insurance, dated July 18, 2002, as amended, issued by the Secretary of HUD pursuant to Section 221(d)(4) and assigned to Midland Loan Services, Inc. ("Mortgagee") in the original amount of \$4,388,000;
- B. Building Loan Agreement, dated October 1, 2002, between the Owner and Mortgagee;
- C. Mortgage Note dated October 1, 2002 made by the Owner payable to the order of Mortgagee in the principal amount of \$4,388,000 (the "Mortgage Note");
- D. Mortgage, dated October 1, 2002, made by the Owner in favor of Mortgagee and encumbering the Project as security for the said Mortgage Note (the "Mortgage");
- F. Security Agreement (Chattel Mortgage), dated October 1, 2002, between the Owner, as debtor, and Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;
- G. Financing Statements made by the Owner, as debtor, in favor of Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;
- H. Regulatory Agreement, dated October 1, 2002, between the Owner and HUD (the "HUD Regulatory Agreement");
- I. Assignment of Leases and Rents dated October 1, 2002 from Owner to Mortgagee; and

J. Assignment of Contracts and Documents dated October 1, 2002 from Owner to Mortgagee.

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

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

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

R-4 No amendment to the Document made after the date of the HUD initial endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment made after the aforesaid date to any HUD/FHA Loan Document shall be binding upon the Subordinate Lender unless the Subordinate Lender has consented thereto in writing.

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

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

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

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

Department of Housing and Urban Development  
77 West Jackson Blvd.  
Chicago, Illinois 60604  
Attention: Director of Multi-Family Housing  
Project No. 071-35709

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

R-9 Notwithstanding anything in the Document to the contrary, the Owner and its successors and assigns may sell, convey, transfer, lease, sublease or encumber the Project or any part thereof, provided it obtains the prior written consent of HUD to any such sale, conveyance, transfer, lease, sublease or encumbrance. Notwithstanding anything in the Document to the contrary, the Owner may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served on the Subordinate Lender. Within 90 days after such service, the Subordinate Lender shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, on HUD, the Mortgagee and the Owner. No such transfer shall occur or be effective until the Subordinate Lender's requirements shall have been satisfied. In the event the Subordinate Lender fails to serve such notice on HUD, the Mortgagee and the Owner within said time, then any consent by HUD to such transfer shall be deemed to be the Subordinate Lender's prior written consent to such transfer and

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consummation of such transfer shall not be a default under the Document.

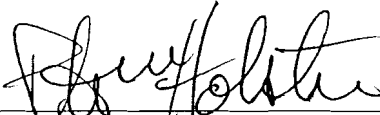
- R-10 The covenants contained in the Document shall automatically terminate in the event of a deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the Project, or any portion thereof. Upon such termination, the Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.
- R-11 Notwithstanding anything in the Document to the contrary, the provisions of this HUD Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

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Executed as of the date set forth above.

HILLIARD HOMES I LIMITED PARTNERSHIP, an Illinois limited partnership

By: HH1 DEVELOPMENT CORPORATION, an Illinois corporation and its managing general partner

By:   
Peter M. Holsten, President

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to by the undersigned as of the 30<sup>th</sup> of October, 2002.

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

By: \_\_\_\_\_  
John G. Markowski, Commissioner

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Executed as of the date set forth above.

HILLIARD HOMES I LIMITED PARTNERSHIP, an Illinois  
limited partnership

By: HH1 DEVELOPMENT CORPORATION, an Illinois  
corporation and its managing general partner

By: \_\_\_\_\_  
Peter M. Holsten, President

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to  
by the undersigned as of the 30<sup>th</sup> of October, 2002.

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

  
\_\_\_\_\_  
By: John G. Markowski, Commissioner