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NORTH CENTER REDEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CHICAGO

AND

NORTH CENTER SENIOR HOUSING L.P.

This agreement was prepared by
and after recording return to:
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8002530

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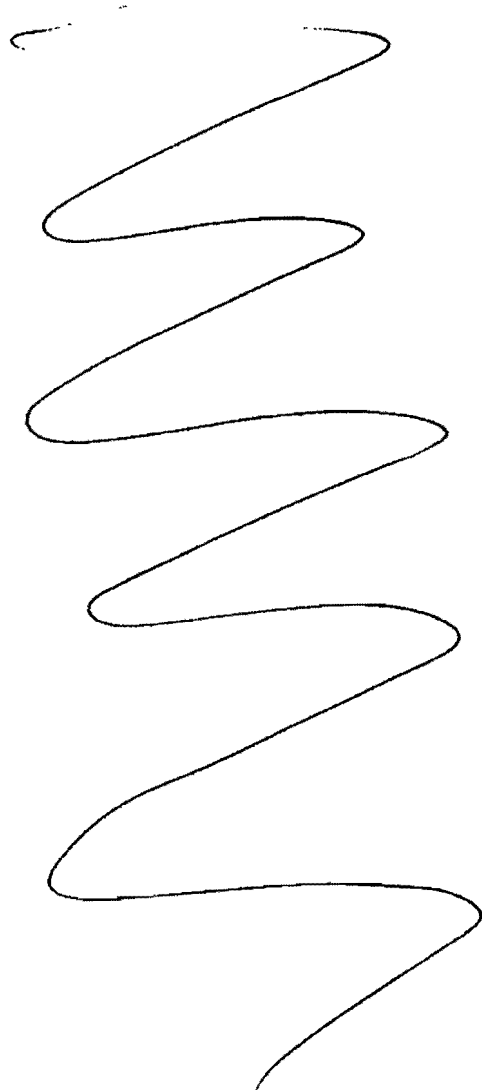
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| Exhibit J | Opinion of Developer's Counsel |
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| Exhibit L | Requisition Form [use if no escrow] |
| Exhibit M | [INTENTIONALLY OMITTED] |
| Exhibit N | [INTENTIONALLY OMITTED] |
| Exhibit O | [INTENTIONALLY OMITTED] |
| Exhibit P | [Form of Payment Bond??-INTENTIONALLY OMITTED IF AT DISCRETION OF DPD] |

(An asterisk(*) indicates which exhibits are to be recorded.)



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This agreement was prepared by and
after recording return to:
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City of Chicago Law Department
121 North LaSalle Street, Room 600
Chicago, IL 60602

NORTH CENTER REDEVELOPMENT AGREEMENT

This North Center Redevelopment Agreement (this "Agreement") is made as of the 1st day of June, 2004, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD") and North Center Senior Housing L.P., an Illinois limited partnership ("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 power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "the City Council") adopted the following ordinances on January 12, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan (the "Plan") for the Western Avenue South Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Western Avenue South Redevelopment Project Area as 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 Western Avenue South Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances") all as amended by an ordinance to amend the Plan to include the most recent equalized assessed valuation ("E.A.V.") of the Western Avenue South Redevelopment Project Area (as required by the Act) which was adopted by the City Council on May 17, 2000. The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: Developer has acquired (the "Acquisition") certain property located within the Redevelopment Area at 2324 West Irving Park Road, Chicago, Illinois 60618 and legally described on Exhibit B hereto (the "Property"). Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete construction of a five-story, approximately 103,162 square foot senior apartment building ("the Facility") referred to as North Center Senior Apartments, with approximately 74,851 square feet of rentable area, located on an approximately 1.66 acre parcel made of wall-bearing masonry with a flexicore structure, and to include a sprinkler system throughout. The Facility will include approximately four thousand two hundred (4,200) square feet of common area space including a meeting room, game room, exercise room, wellness center, beauty salon, and warming kitchen. There will be approximately six hundred (600) square feet of patio space, one hundred four units, one hundred three (103) of which will be rental units and one (1) of which will be a staff unit, and fifty-two (52) parking spaces. The construction of the Facility and related improvements shall be known as the "Project".

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Western Avenue South Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Available Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in its sole discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(c) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes or in order to reimburse the City for the costs of TIF-Funded Improvements.

G. HUD Required Provisions: A portion of the Lender Financing (as defined below) includes a private loan insured by the Federal Housing Administration ("FHA"), an organizational unit within the United States Department of Housing and Urban Development ("HUD"). The FHA insured Lender Financing requires a HUD-Required Provisions Rider (the "Rider") to be incorporated into this Agreement. By the reference in this paragraph said Rider, attached hereto as Exhibit Q, is hereby incorporated herein and made a part hereof.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Act" shall have the meaning set forth in the Recitals hereof.

"Acquisition" shall have the meaning set forth in the Recitals hereof.

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

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes deposited in the Western Avenue South Redevelopment Project Area TIF Fund attributable to the taxes levied on the Property.

"Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Certificate" shall collectively mean the Certificate of Completion of Construction of the Facility described in Section 7.01 hereof.

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

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

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

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E (if so requested by DPD), to be entered into between the Developer and the General Contractor providing for construction of the Project.

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

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

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

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City (for the sole purpose of receiving notice and copies of each draw), the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s), substantially in the form of Exhibit F attached hereto (if so requested by DPD).

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Facility" shall have the meaning set forth in the Recitals hereof.

"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 consistently applied throughout the appropriate periods.

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

"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.

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

"Lender Financing" shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

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

"MBE/WBE Requirement" shall mean the employment and hiring goals as described in Section 10.03.

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

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

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit G hereto.

"Plans and Specifications" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Project" shall have the meaning set forth in the Recitals hereof.

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

"Property" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

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

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

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property dated within ninety (90) days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of: (a) any date to which DPD and the Developer have agreed or (b) the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2024).

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF Bonds" shall have the meaning set forth in the Recitals hereof.

"TIF Bond Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF-Funded Improvements" shall mean only the TIF Eligible costs for the construction of low-income and affordable housing units in the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean Commonwealth Land Title Insurance Company (which may be acting through its agent 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, noting the recording of this Agreement as an encumbrance against the Property.

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

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

"Western Avenue South Redevelopment Project Area TIF Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than December 1, 2004; and (ii) complete construction and conduct business operations therein no later than July 1, 2006.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Sixteen Million Nine Hundred Forty Seven Thousand One Hundred Dollars (\$16,947,100). The Developer hereby certifies to the City that (a) it has Lender Financing and Equity described in Section 4.02 hereof, which is sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval: (a) a reduction in the square footage of the Facility; (b) a change in the use of the Property to a use other than a senior housing facility; (c) a delay in the completion of the Project by more than three (3) months; or (d) an increase in the Project Budget by more than ten per-cent (10%). The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section 3.04).

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. [INTENTIONALLY OMITTED]

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

3.10 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 Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic

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

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

3.12 Permit Fees. In connection with the Project, 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 of Chicago and are of general applicability to other property within the City of Chicago.

3.13 Superiority of City Loan and Tax Credit Requirements. As part of the financing for the Project, Developer shall receive (i) Equity from the sale of low-income housing tax credits and donation tax credits, (ii) a Loan from the City acting through its Department of Housing ("DOH") and (iii) a private loan insured by the Federal Housing Administration ("FHA"). These sources of financing are subject to federal, state and city ordinance requirements as to the following certain aspects of monitoring the Project set forth in this Agreement: Change Orders (Section 3.04), Construction Contract (including any requirement to solicit bids for any construction contract—see (Sections 6.01 and 6.02), Insurance (Section 5.08 and Section 12), Payment and Performance Bond (Section 6.03), M/WBE Participation (Section 10.03), Permit Fees (Section 3.12), Affordable Housing (Sections 8.06 and 8.20) and Prevailing Wage (Section 8.09). DPD hereby acknowledges (i) its willingness to abide by DOH policies related to any loan Developer receives from DOH and (ii) the superiority of any Federal requirements related to financing in the areas set forth above in this Section 3.13 and hereby acknowledges that if the monitoring division of DOH establishes that said DOH policy has been satisfied in connection with any loan from DOH or Federal requirements have been satisfied in connection with other lender financing, respectively, then the corresponding DPD requirement set forth above shall be deemed to be satisfied. DPD in its sole discretion, shall reserve the option to allow other obligations, duties and responsibilities of the Developer to be similarly satisfied; such satisfaction to be demonstrated by written notice from the Commissioner of DPD.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$16,947,100, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

| | |
|--|--------------|
| Equity (subject to <u>Sections 4.03(b) and 4.06</u>) | \$ 9,039,875 |
| [includes \$500,000 FHLB subsidy grant; \$1,155,775 donation tax credits and \$7,342,957 low-income housing tax credits] | |

Lender Financing \$ 7,948,300
 [includes loans from City Department of Housing, State of Illinois Housing Development Authority, Chicago Low-Income Housing Trust Fund and private loan insured by Federal Housing Administration]

Estimated City Funds (subject to Section 4.03) - - Subsidy for TIF eligible construction expense \$ 3,500,000

ESTIMATED TOTAL \$16,988,175

4.02 Developer Funds. Equity and/or Lender Financing shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to the Developer hereunder prior to the issuance of a Certificate.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements:

| <u>Source of City Funds</u> | <u>Maximum Amount</u> |
|-----------------------------|-----------------------|
| Available Incremental Taxes | \$3,500,000 |

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Three Million Five Hundred Thousand and no/100 Dollars (\$3,500,000) or one hundred percent (100%) of the actual total increment generated by the Property; and provided further, that the \$3,500,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the Western Avenue South TIF Fund shall be sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$3,500,000 is contingent upon the fulfillment of all the conditions set forth in this Section 4.03(b). In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) TIF Bonds. The City may, in its sole discretion, decide to issue TIF Bonds. So long as the Commissioner of DPD recommends that City Council approves an ordinance or ordinances authorizing the issuance of TIF Bonds, the Developer shall cooperate with the City in the issuance of TIF Bonds, in the same manner as provided in Section 8.05 hereof.

4.04 Construction Escrow; Requisition Form. (a) The City and the Developer hereby agree that the City may also enter into the Escrow Agreement for the sole purpose of receiving copies of draw requests and related documents.

(b) Prior to each November 1 (or such other date as the parties may agree to), beginning in the later of (i) 2005 or (ii) the year in which the City issues a Certificate of Completion and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD). On each December 1 (or such other date as may be acceptable to the parties), beginning in 2005 and continuing throughout the Term of the Agreement, the Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures [INTENTIONALLY OMITTED]

(b) Purchase of Property. [INTENTIONALLY OMITTED]

(c) City Fee. [INTENTIONALLY OMITTED]

(d) Allocation Among Line Items. [INTENTIONALLY OMITTED]

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

4.07 Preconditions of Disbursement; Execution of Certificate of Expenditure. Prior to each disbursement of City Fund hereunder, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery

by the Developer to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual amount paid to the (1) Lender(s) who have loaned funds for the Project and (2) General Contractor and/or sub-contractors who have performed work on the Project, and/or their payees;

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

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

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

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

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

4.08 Conditional Grant. [INTENTIONALLY OMITTED]

SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. Even if the City does not elect to enter into the Escrow Agreement for notice purposes as allowed in Section 4.04(a), the Developer shall have delivered to DPD a copy of the Escrow Agreement entered into by the Developer regarding the Lender Financing. If allowed by any applicable federal statutes rules or policies, any liens against the Property in existence at the Closing Date shall have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under the Developer's name (and the following trade names of the Developer: North Center Senior, L.L.C., TACH North Center Development Corporation NFP, and any other entities the Corporation Counsel reasonably deems necessary, as follows:

| | |
|----------------------|-------------------------------|
| Secretary of State | UCC search |
| Secretary of State | Federal tax search |
| Cook County Recorder | UCC search |
| Cook County Recorder | Fixtures search |
| Cook County Recorder | Federal tax search |
| Cook County Recorder | State tax search |
| Cook County Recorder | Memoranda of judgments search |
| U.S. District Court | Pending suits and judgments |

Clerk of Circuit Court,
Cook County

Pending suits and judgments

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

5.07 Surveys. The Developer has furnished the City with three (3) copies of the Survey.

5.08 Insurance. The Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to DPD.

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. [INTENTIONALLY OMITTED]

5.11 Financial Statements. The Developer has provided Financial Statements to DPD for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation. [INTENTIONALLY OMITTED]

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Formation containing the original certification of the Secretary of State of Illinois; certificates of existence from the Secretary of State of Illinois and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; the limited partnership agreement of the partnership; and such other partnership documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of

any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. [INTENTIONALLY OMITTED]

6.02 Construction Contract. Prior to the earlier of the execution thereof and the start of construction of the Facility, the Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor, or any subcontractors, be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction of the Project in accordance with the terms of this Agreement and after the final

disbursement from the Escrow, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate: Continuing Obligations. The Certificate relates only to the construction of the 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 8.02, 8.06, 8.19 and 8.20 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; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. 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 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure to Complete. Subject to Developer's rights to cure as specifically set forth in Section 15.03, if the Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD 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 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

8.01 General. The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

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

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof).

(e) the Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

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

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound;

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition; after the issuance of a Certificate, if a mortgagee or other permitted transferee accepts assignment of this Agreement the prior written consent of DPD shall not be required unless said transferee wishes to receive payments of City funds pursuant to this Agreement in which event the City shall only have such an obligation if DPD gives its prior written consent and the transferee becomes jointly (with the Developer) and severally liable for the performance of Developer's obligations hereunder;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance(if any), the TIF Bond Ordinance(if any), the Scope Drawings, Plans and Specifications, 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 shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) TIF Eligible costs for the construction of low-income and affordable housing—which shall be 50% of such cost of the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds (in addition to any TIF Bonds) in connection with the Redevelopment Area the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Use Covenant; Further Development Covenant; Covenant to Remain in the City. The Developer hereby covenants and agrees to maintain its operations within the City of Chicago on the Property and to maintain the use of the Facility and the Project for affordable housing for senior citizens. In order to continue to receive City Funds and to not be in violation of this section, and thereby be subject to all remedies available to the City hereunder, Developer must continue to adhere to the applicable standard of providing affordable housing for senior citizens as set forth in Section 8.20, subject to Section 3.13. The Developer further acknowledges that the Project is to be part of a three building campus (which will include common area green space) of affordable housing for seniors to be developed on approximately five acres of contiguous land (the "Campus") of which the Property comprises approximately 1.66 acres. Developer acknowledges that the remainder of the Campus will be developed by other entities and that Technical Assistance Corporation for Housing, or its affiliate ("TACH"), which controls a member of the general partner of Developer, is expected to act as the master developer ("Master Developer") of the Campus in connection with the (i) environmental remediation and demolition of existing buildings, (ii) the construction of certain stormwater management improvements and (iii) the construction of common green spaces in the center of the Campus and in the northeast corner of the Campus. The Developer further acknowledges that a second building on the Campus is expected to be constructed by Catholic Charities and that the third building does not yet have a designated developer. The Developer agrees to use commercially reasonable methods to timely cooperate, as necessary, with TACH (or any other Master Developer recognized by the City), Catholic Charities and any other developer participating

in either (A) the development of the common areas spaces of the Campus or (B) the development of the other contemplated buildings in order to complete the Campus as planned.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

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

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.12 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.

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements that Developer is required to file with DOH for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request. In the event that DOH shall not require Developer to submit Financial Statements, then starting with the fiscal year when the DOH requirement referred to herein no longer applies, Developer shall also obtain and provide to DPD Financial statements for that fiscal year and each fiscal year thereafter for the Term of the Agreement.

8.14 Insurance. The Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

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

8.17 Compliance with Laws. 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 pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 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 against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. If allowed pursuant to Federal requirements relevant to Lender Financing (all as referred to in Section 3.13), this Agreement shall be recorded prior to any mortgage made in connection with 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.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of 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 (including any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, and counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has 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's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; 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 DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

(B) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD 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.

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. [INTENTIONALLY OMITTED]

(ii) Real Estate Tax Exemption. [INTENTIONALLY OMITTED]

(iii) No Reduction in Real Estate Taxes. [INTENTIONALLY OMITTED]

(iv) No Objections. [INTENTIONALLY OMITTED]

(v) Covenants Running with the Land. [INTENTIONALLY OMITTED]

8.20 Affordable Housing Covenant. The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain Regulatory Agreement executed by the Developer and DOH as of the date hereof shall govern the terms of the Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall be operated and maintained solely as residential rental housing for senior citizens;

(b) All of the units in the Facility shall be available for occupancy to and be occupied solely by one or more senior citizens qualifying as Low Income Families (as defined below) upon initial occupancy; and

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

(d) As used in this Section 8.20, the following terms has the following meanings:

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

(ii) "Low Income Families" shall mean Families whose annual income does not exceed eighty percent (80%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

(e) The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

(f) The City and the Developer may enter into a separate agreement to implement the provisions of this Section 8.20.

8.21 Participation in City Beautification Efforts. [INTENTIONALLY OMITTED]

8.22 Public Benefits Program. [INTENTIONALLY OMITTED]

8.23 Job Readiness Program. [INTENTIONALLY OMITTED]

8.24 Campus Development. [INTENTIONALLY OMITTED]

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and 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 (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code 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 10.03, during the course of the Project, at least the following percentages of the total Project Budget (less the acquisition cost of the Property or any portion thereof, if any, as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

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

Developer may seek to exclude costs of any applicable project activities from MBE/WBE Budget or requirements so long as Developer provides DPD with a list of activities it wants to exclude prior to earlier of the start of construction and the execution of this Agreement.

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

c. 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 a 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 10.03.

d. The Developer shall deliver quarterly reports to DPD 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 DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

f. Prior to the earlier of the execution of the this Agreement and the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its

obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. 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, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (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 the Developer, or any person directly or indirectly controlling, controlled by or under common control with the 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 the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor shall provide Automobile Liability Insurance with limits of not less than \$2,000,000 per

occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory bases.

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) Term of the Agreement

- (i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.

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

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

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

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

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

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

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

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnities") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnities in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnities in any manner relating or arising out of:

(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 General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

(iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 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, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall, upon five (5) business days prior notice, 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.

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

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, 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 (including, without limitation, any related agreement;

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against 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 sixty (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 sixty (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 sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of the Developer or the death of any natural person who owns a material interest in the Developer; or

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

(k) prior to the issuance of the Certificate (or as otherwise prohibited pursuant to the terms of this Agreement), the sale or transfer of ten percent (10%) or more of the ownership interests of the Developer without the Developer receiving the prior written consent of the City, except to the extent that the syndicator of the low-income housing tax credits and donation tax credits may acquire or sell an interest in the Project and/or the Developer.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's partnership interests or the general partner's membership interest.

15.02 Remedies. Upon the occurrence of an Event of Default, the sale of the Project to an entity that will rent units at market rate or any act of willful or wanton fraud by Developer, the City may terminate this Agreement and all related agreements, may suspend and/or terminate disbursement of City Funds, and may require the Developer to repay any City funds that it has received. Upon the occurrence of any other Event of Default not described in the preceding sentence, the City may, in its sole discretion, terminate the Agreement and all related agreements and may suspend and/or terminate further disbursements of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the 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 the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the 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 the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced

to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that there shall be no cure period under this Section 15.03 with respect to the Developer's failure to comply with the requirements for which other specific cure periods are set forth in other sections of this Agreement.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) Except as otherwise set forth herein, in the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this

Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD. After the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, if a mortgagee or other permitted transferee accepts assignment of this Agreement the prior written consent of DPD shall not be required unless said transferee wishes to receive payments of City funds pursuant to this Agreement; the City shall only have such an obligation to pay City funds to such a transferee if DPD gives its prior written consent and the transferee becomes jointly (with the Developer) and severally liable for the performance of Developer's obligations hereunder.

SECTION 17. NOTICE

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

| | |
|----------------------|---|
| If to the City: | City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner |
| With Copies To: | City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602 |
| If to the Developer: | North Center Senior Housing L.P. c/o Technical Assistance Corp. for Housing 222 North LaSalle Street Suite 1414 Chicago, Illinois 60601 |
| With Copies To: | James Buchholz c/o Metroplex 222 North LaSalle Street Suite 1414 Chicago, Illinois 60601 |

and

Apollo Housing Capital, L.L.C.
600 Superior Avenue
Suite 2300
Cleveland, OH 44114
Attention: President and General Counsel

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto; provided however that any such amendment, modification or supplement shall not reduce the City's financial commitment to the Developer or the Project unless the City, in its sole discretion, deems any such reduction as required by a change in the Act or any other statute of the State of Illinois or the Federal government. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than [ninety (90)] days.

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. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

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

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

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, and/or the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

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

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

18.15 Assignment. Except as otherwise provided in this Agreement, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State,

and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), 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 City official or employee 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 any person with whom the elected City official or employee 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, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. 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 this Agreement or the transactions contemplated hereby.

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

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.

North Center Senior Housing L. P., an Illinois limited partnership.

By: North Center Senior L.L.C, an Illinois limited liability company and its sole general partner

By: TACH North Center Development Corporation, NFP, an Illinois not-for-profit corporation ant its operating member.

By: _____
Print name:

Its: _____
Print title:

CITY OF CHICAGO

By: *[Signature]*
Denise Casalino, *BF*
Commissioner, Department
of Planning and Development

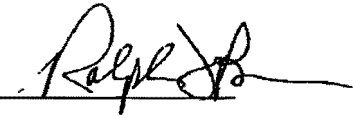
IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

North Center Senior Housing L. P., an Illinois limited partnership.

By: North Center Senior L.L.C, an Illinois limited liability company and its sole general partner

By: TACH North Center Development Corporation, NFP, an Illinois not-for-profit corporation and its operating member

By: Ralph I. Brown
Print name:



Its: President
Print title:

CITY OF CHICAGO

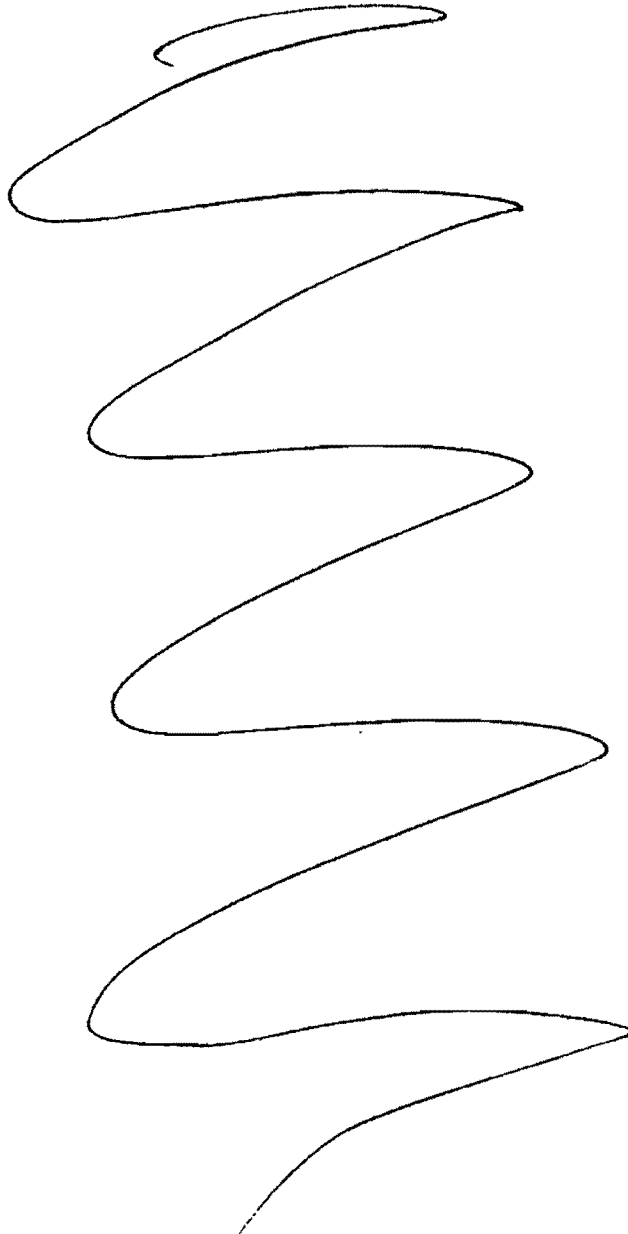
By: _____

_____,
Commissioner, Department
of Planning and Development

EXHIBIT A

REDEVELOPMENT AREA

SEE ATTACHED



Legal Description For Western Avenue South R.P.A.

That part of the southeast quarter of Section 13 and the east half of Section 24, Township 40 North, Range 13 East of the Third Principal Meridian and that part of the southwest quarter of Section 18, the west half of the southeast quarter of Section 18, the northwest quarter and the west half of the northeast quarter and the west half of the southwest quarter of Section 19 and the west half of the northwest quarter of Section 30, Township 40 North, Range 14 East of the Third Principal Meridian, all in the City of Chicago, Cook County, Illinois, described as follows:

beginning at the intersection of the south right-of-way line of Montrose Avenue with the centerline of Campbell Avenue; thence east along the south right-of-way line of said Montrose Avenue to the east line of a public alley adjoining Lots 135 through 152 in Grant Park Addition and Lots 44 through 48 in Rudolph & Brown's Subdivision; thence south along said east alley line to the north right-of-way line of Cullom Avenue; thence south to the intersection of the south right-of-way line of said Cullom Avenue with the east line of a public alley adjoining Lots 49 through 57 in said Rudolph & Brown's Subdivision; thence south along said east alley line to the southwest corner of Lot 66 in said Rudolph & Brown's Subdivision; thence east along the south line of said Lot 66 to the northwest corner of Lot 8 in Oakley Gardens Subdivision, also being the northwest corner of said subdivision; thence south along the west line of said Oakley Gardens Subdivision and its south extension to the south right-of-way line of Berteau Avenue; thence west along said south right-of-way line to the east line of a public alley adjoining Lots 499 through 522 of Rudolph's Subdivision of Blocks 6 and 7 of Ogden's Subdivision; thence south along said east alley line to the north right-of-way line of Belle Plaine Avenue; thence east along said north right-of-way line to the east right-of-way line of Oakley Avenue; thence south along said east right-of-way line to the north line of a public alley adjoining Lots 19 through 28 in A. H. Burley's Subdivision; thence east along said north alley line to the west right-of-way line of Bell Avenue; thence north along said west right-of-way line to the north right-of-way line of Belle Plaine Avenue; thence east along said north right-of-way line to the east right-of-way line of Leavitt Street; thence south along said east right-of-way line to the north line of a public alley adjoining Lots 134 through 157 in Rudolph's Subdivision of Blocks 10 and 11 in Ogden's Subdivision; thence east along said north alley line to the west right-of-way line of Hoyne Avenue; thence east to the intersection of the east right-of-way line of said Hoyne Avenue with the north line of a public alley adjoining Lots

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47 through 61 in said Rudolph's Subdivision of Blocks 10 and 11; thence east along said north alley line to the west line of Lot 36 in said Rudolph's Subdivision of Blocks 10 and 11; thence north along said west line to the south right-of-way line of Cuyler Avenue; thence east along said south right-of-way line to the south extension of the westerly line of a public alley adjoining Lots 1 through 10 in said Rudolph's Subdivision of Blocks 10 and 11; thence northwesterly and northerly along said extension and said westerly alley line to the south right-of-way line of Belle Plaine Avenue; thence northwest to the intersection of the north right-of-way line of said Belle Plaine Avenue with the west line of a public alley adjoining Lots 217 through 226 in Rudolph's Subdivision of Blocks 4 and 5 of Ogden's Subdivision; thence northwesterly and northerly along said westerly alley line and its north extension to the north right-of-way line of Warner Avenue; thence east along said north right-of-way line to the easterly right-of-way line of Lincoln Avenue; thence southeasterly along said easterly right-of-way line to the northwesterly corner of Lot 209 in said Rudolph's Subdivision of Blocks 4 and 5; thence northeasterly along the north line of said Lot 209 and its northeast extension to the easterly line of a public alley adjoining Lots 207 through 216 in said Rudolph's Subdivision of Blocks 4 and 5; thence southeasterly along said easterly alley line and its southeast extension to the east line of a public alley adjoining Lots 158 through 167 in said Rudolph's Subdivision of Blocks 4 and 5; thence south along said east alley line to the north right-of-way line of Belle Plaine Avenue; thence east along said north right-of-way line to the east right-of-way line of Damen Avenue; thence south along said east right-of-way line to the northwest corner of Lot 25 in Block 6 in Cuyler's Addition to Ravenswood; thence east along said north line of Lot 25 and its east extension to the east line of a public alley adjoining Lots 19 through 28 in said Cuyler's Addition; thence south along said east alley line to the north right-of-way line of Cuyler Avenue; thence south to the intersection of the south right-of-way line of said Cuyler Avenue with the east line of a public alley adjoining Lots 19 through 23 in Block 5 of said Cuyler's Addition; thence south along said east alley line to the north line of a public alley adjoining Lots 24 through 47 in said Block 5; thence east along said north alley line to the west right-of-way line of Wolcott Avenue; thence east to the intersection of the east right-of-way line of said Wolcott Avenue with the north line of a public alley adjoining Lots 22 through 42 in Block 4 of said Cuyler's Addition; thence east along said north alley line and its east extension to the easterly most right-of-way line of Ravenswood Avenue; thence south along said easterly most right-of-way line to the east extension of the south line of a public alley adjoining Lots 1 through 21 in Block 3 of Charles J. Ford's Subdivision; thence west along said extension and said south alley line to the east right-of-way line of Wolcott Avenue; thence west to the intersection of the west right-of-way line of said Wolcott Avenue with the south line of a public alley adjoining Lots 1 through 14 in Block 4 of said Charles J. Ford's Subdivision; thence west along said south alley line to the east line of a public alley adjoining Lots 25 through 27 in said

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Block 4; thence south along said east alley line and its south extension to the south right-of-way line of Larchmont Street; thence west along said south right-of-way line to the easterly right-of-way line of Lincoln Avenue; thence southeasterly along said easterly right-of-way line to the south right-of-way line of Byron Street; thence west along said south right-of-way line to the south extension of the west line of a public alley adjoining Lots 1 through 23 in a subdivision of Block 6 of executors of W. E. Jones' Subdivision; thence north along said extension and said west alley line to the south line of a public alley adjoining Lots 41 through 45 in said subdivision of Block 6; thence west along said south alley line to the east right-of-way line of Seeley Avenue; thence west to the intersection of the west right-of-way line of said Seeley Avenue with the south line of a public alley adjoining Lots 46 through 55 in said subdivision of Block 6; thence west along said south alley line to the east right-of-way line of Hoyne Avenue; thence west to the intersection of the west right-of-way line of said Hoyne Avenue with the south line of a public alley adjoining Lots 1 through 10 in a subdivision of Block 7 of said executors of W. E. Jones' Subdivision; thence west along said south alley line to the east right-of-way line of Hamilton Avenue; thence west to the intersection of the west right-of-way line of said Hamilton Avenue with the south line of a public alley adjoining Lots 11 through 20 in said subdivision of Block 7; thence west along said south alley line and its west extension to the west right-of-way line of Leavitt Street; thence north along said west right-of-way line to the south right-of-way line of Irving Park Road; thence west along said south right-of-way line to the east right-of-way line of Bell Avenue; thence south along said east right-of-way line to the east extension of the south line of a public alley adjoining Lots 6 through 15 in a subdivision of Block 8 of executors of W. E. Jones' Subdivision; thence west along said extension, said south alley line and its west extension to the centerline of Oakley Avenue; thence north along said centerline to the south right-of-way line of Irving Park Road; thence west along said south right-of-way line to the east right-of-way line of Claremont Avenue; thence south along said east right-of-way line to the east extension of the south line of Lot 43 in the subdivision of Block 9; thence west along said extension and said south line to the east line of a public alley adjoining Lots 17 through 30 in said subdivision of Block 9; thence south along said east alley line to the north right-of-way line of Byron Street; thence south to the intersection of the south right-of-way line of said Byron Street with the east line of a public alley adjoining Lots 1 through 20 of Wm. Zelosky's Subdivision; thence south along said east alley line to the north right-of-way line of Grace Street; thence south to the intersection of the south right-of-way line of said Grace Street with the east line of a public alley adjoining Lots 61 through 80 in Caroline Ogden Jones' Subdivision; thence south along said east alley line to the north right-of-way line of Waveland Avenue; thence south to the intersection of the south right-of-way line of said Waveland Avenue with the east line of a public alley adjoining Lots 64 through 78 in Sheldon's Estate Subdivision of Block 23; thence south along said east alley line and its south

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extension to the south line of a public alley adjoining Lots 1 through 9 in said Sheldon's Estate Subdivision; thence west to the east line of the west 10 feet of Lot 5 in said Sheldon's Estate Subdivision; thence south along said east line of the west 10 feet to the north right-of-way line of Addison Street; thence south to the intersection of the south right-of-way line of said Addison Street with the east line of a public alley adjoining Lot 1 in Wm. Zelosky's Resubdivision of Lots 1 to 9 and Lots 64 through 78 in Sheldon's Estate Subdivision of Block 32; thence south along said east alley line to the north right-of-way line of Cornelia Avenue; thence south to the intersection of the south right-of-way line of said Cornelia Avenue with the east line of a public alley adjoining Lots 1 through 18 in Block 8 of C. T. Yerke's Subdivision; thence south along said east alley line and its south extension to the south line of a public alley adjoining Lots 19 through 29 in said Block 8; thence west along said south alley line to the east line of Lot 23 in said Block 8; thence south along said east line of Lot 23 to the north right-of-way line of Roscoe Street; thence south to the intersection of the south right-of-way line of said Roscoe Street with the east line of the west 4 feet of Lot 6 in Block 9 of said C. T. Yerke's Subdivision; thence south along said east line of the west 4 feet to the north line of a public alley adjoining said Lot 6; thence east along said north alley line to the north extension of the east line of a public alley adjoining Lots 12 through 29 in said Block 9; thence south along said extension and said east alley line to the north right-of-way line of School Street; thence south to the intersection of the south right-of-way line of said School Street with the east line of a public alley adjoining Lots 25 through 35 in Block 1 of W. L. Schrader's Subdivision; thence south along said east alley line to the north right-of-way line of Melrose Street; thence east along said north right-of-way line to the north extension of a line 58 feet west from and parallel with the west line of Block 2 of said W. L. Schrader's Subdivision; thence south along said extension to the south right-of-way line of said Melrose Street; thence south along said parallel line, 125 feet; thence east, parallel with a public alley adjoining Lots 16 through 30 in said Block 2, to said west line of said Block 2; thence south along the said west line and its south extension to the south right-of-way line of Belmont Avenue; thence west along said south right-of-way line to the west right-of-way line of Western Avenue; thence north along said west right-of-way line to the south right-of-way line of Roscoe Street; thence west along said south right-of-way line of Roscoe Street to a point of curvature; thence continuing west along said right-of-way curve to the north line of Lot 7 in County Clerk's Division of unsubdivided lands; thence west along said north line to the west right-of-way curve of said Roscoe Street; thence southerly along said west right-of-way curve to the west right-of-way line of Campbell Avenue; thence north along said west right-of-way line and its north extension to the south line

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of Lot 1 in said County Clerk's Division; thence west along said south line of Lot 1 and its west extension to the east right-of-way of Rockwell Street, said east right-of-way being a series of lines and curves; thence southerly along said line and curve series to the north right-of-way line of Melrose Street; thence east along said north right-of-way and its east extension to the east right-of-way line of Campbell Avenue; thence south along said east right-of-way line to a line 200 feet south from and parallel with the south right-of-way line of said Melrose Street; thence west along said parallel line to a line 225 feet west from and parallel with the west right-of-way line of said Campbell Avenue; thence south along the last described parallel line and its south extension to the south right-of-way line of Belmont Avenue; thence west along said south right-of-way line to the east line of the west half of the southeast quarter of Section 24; thence north along said east line to the center thread of the north branch of the Chicago River; thence northwesterly along the common courses of said center thread to the north right-of-way line of Addison Street; thence east along said north right-of-way line to the west line of Block 19 of Kinzie's Subdivision of the northeast quarter; thence north along said west line of Block 19, 414.04 feet, more or less; thence east, 240.93 feet, more or less; thence north, 73.51 feet, more or less; thence east, 392.63 feet, more or less, to the west right-of-way line of Campbell Avenue; thence continuing east to the east right-of-way of said Campbell Avenue; thence south along said east right-of-way line to the north right-of-way line of Addison Street; thence east along said north right-of-way line to the west line of a public alley adjoining Lots 1 through 11 in Chas. Kemnitz, Jr.'s Subdivision and Lots 1 through 12 in Wm. Zelosky's Subdivision of part of Block 20 of said Kinzie's Subdivision; thence north along said west alley line to the north right-of-way line of Waveland Avenue; thence west along said north right-of-way line to the east right-of-way line of Campbell Avenue; thence north along said east right-of-way line to the north right-of-way line of Bradley Place; thence west along said north right-of-way line to a point 199.72 feet, more or less, east of the north extension of the west right-of-way line of Talman Avenue; thence north, 594.48 feet, more or less; thence west, 469.99 feet, more or less, to the west line of Block 7 of said Kinzie's Subdivision; thence northeasterly along the west line of said Lot 7 and the west line of Blocks 8 and 3 of said Kinzie's Subdivision to the south right-of-way line of Irving Park Road; thence north to the intersection of the north right-of-way line of said Irving Park Road with the west line of Lot 25 in Block 4 of Paul O. Stensland's Second Subdivision; thence northerly along the west line of said Paul O. Stensland's Second Subdivision to the northwest corner of Lot 1 in Block 3 of said Paul O. Stensland's Second Subdivision, also being the south right-of-way line of Berteau Avenue; thence north to the intersection of the north right-of-way line of said Berteau Avenue with the

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westerly line of Lot 104 in Flick's Subdivision; thence east along said north line of Berteau Avenue to the north extension of the east line of a public alley adjoining Lots 25 through 48 in Block 2 of said Paul O. Stensland's Second Subdivision; thence south along said extension, said east alley line and its south extension to the south right-of-way line of Belle Plaine Avenue; thence west along said south right-of-way line to the east right-of-way line of Rockwell Street; thence south along said east right-of-way line of Rockwell Street to the north line of a public alley adjoining Lots 18 through 27 in Block 5 of said Paul O. Stensland's Second Subdivision; thence east along said north alley line to the west right-of-way line of Maplewood Avenue; thence east to the intersection of the east right-of-way line of said Maplewood Avenue with the north line of a public alley adjoining Lots 18 through 27 in Block 6 of said Paul O. Stensland's Second Subdivision; thence east along said north alley line to the west right-of-way line of Campbell Avenue; thence east to the intersection of the east right-of-way line of said Campbell Avenue with the north line of a public alley adjoining Lots 29 through 46 in Block 4 of Paul O. Stensland's Subdivision; thence east along said north alley line to the west line of a north and south public alley through Blocks 4, 3, 2 and 1 of said subdivision; thence north along said west alley line to the south right-of-way line of Berteau Avenue; thence north to the intersection of the north right-of-way line of said Berteau Avenue with the west line of a north and south public alley through Blocks 4, 3, 2 and 1 of Lutz Park Addition to Ravenswood; thence north along said west alley line to the south line of a public alley adjoining Lots 11 through 36 in Block 1 of said Lutz Park Addition to Ravenswood; thence west along said south alley line and its west extension to the centerline of Campbell Avenue; thence north along said centerline to the south right-of-way line of Montrose Avenue, being said point of beginning; except therefrom all that part in the east half of the northeast quarter of Section 24, Township 40 North, Range 13 East of the Third Principal Meridian lying southerly of the south line of a public alley adjoining Lots 11 through 28 in Haynes & Wehrheim's Subdivision; and northerly of the north right-of-way line of Grace Street; and westerly of the west line of a public alley adjoining Lots 6 through 10 and Lots 47 through 56 in said Haynes & Wehrheim's Subdivision and also adjoining Lots 1 through 10 in Block 1 and Lots 1 through 10 in Block 2 of River Park's Subdivision; and easterly of the east right-of-way line of Campbell Avenue.

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EXHIBIT B

PROPERTY

LEGAL DESCRIPTION

PARCEL 1

THAT PART OF LOTS 3 AND 4 IN BLOCK 8 IN W.B. OGDEN'S SUBDIVISION OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 3; THENCE SOUTH 00 DEGREES 12 MINUTES 13 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 3, BEING THE WEST LINE OF NORTH OAKLEY AVENUE, A DISTANCE OF 112.36 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 12 MINUTES 13 SECONDS EAST ALONG SAID EAST LINE OF LOT 3, BEING SAID WEST LINE OF NORTH OAKLEY AVENUE, A DISTANCE OF 169.68 FEET TO THE NORTH LINE OF WEST IRVING PARK ROAD, BEING A LINE 17 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 3; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE OF WEST IRVING PARK ROAD, BEING SAID LINE 17 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF LOT 3, A DISTANCE OF 291.32 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 17 SECONDS WEST A DISTANCE OF 115.43 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 27.00 FEET, HAVING A CHORD BEARING OF NORTH 45 DEGREES 09 MINUTES 10 SECONDS WEST AND A CHORD DISTANCE OF 38.28 FEET, FOR AN ARC DISTANCE OF 42.55 FEET TO A POINT OF TANGENCY; THENCE SOUTH 89 DEGREES 41 MINUTES 56 SECONDS WEST A DISTANCE OF 19.46 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 27.25 FEET, HAVING A CHORD BEARING OF NORTH 45 DEGREES 14 MINUTES 49 SECONDS WEST AND A CHORD DISTANCE OF 38.57 FEET, FOR AN ARC DISTANCE OF 42.86 FEET TO A POINT OF TANGENCY; THENCE NORTH 00 DEGREES 11 MINUTES 34 SECONDS WEST A DISTANCE OF 61.32 FEET TO A LINE THAT IS 230.81 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, AND PARALLEL WITH, SAID NORTH LINE OF WEST IRVING PARK ROAD; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 79.54 FEET; THENCE NORTH 00 DEGREES 03 MINUTES 37 SECONDS EAST A DISTANCE OF 21.97 FEET TO A LINE THAT IS 252.78 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, AND PARALLEL WITH, SAID NORTH LINE OF WEST IRVING PARK ROAD; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 110.44 FEET; THENCE

SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, PERPENDICULAR TO THE DESCRIBED COURSE A DISTANCE OF 18.12 FEET TO A LINE THAT IS 234.65 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, AND PARALLEL WITH, SAID NORTH LINE OF WEST IRVING PARK ROAD; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 102.68 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, PERPENDICULAR TO THE LAST DESCRIBED COURSE, A DISTANCE OF 64.97 FEET TO A LINE THAT IS 169.68 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO, AND PARALLEL WITH, SAID NORTH LINE OF WEST IRVING PARK ROAD; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 72.24 FEET TO SAID POINT OF BEGINNING; ALL IN COOK COUNTY, ILLINOIS.

SAID PARCEL OF LAND HEREINABOVE DESCRIBED CONTAINS 72,104 SQUARE FEET, MORE OR LESS, WHICH EQUALS 1.655 ACRES, MORE OR LESS.

PARCEL 2

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS APPURTENANT TO PARCEL 1 ESTABLISHED BY DECLARATION OF RECIPROCAL EASEMENTS AND COVENANTS RECORDED APRIL 27, 2004 AS DOCUMENT NUMBER 0411842242 OVER A STRIP OF LAND, 25.00 FEET IN WIDTH, BEING A PART OF LOTS 1, 3 AND 4 IN BLOCK 8 IN W.B. OGDEN'S SUBDIVISION OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EAST LINE OF NORTH WESTERN AVENUE, BEING A LINE 17 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 1, AND THE SOUTH LINE OF SAID LOT 1; THENCE NORTH 00 DEGREES 11 MINUTES 28 SECONDS WEST ALONG SAID EAST LINE OF NORTH WESTERN AVENUE, BEING SAID LINE 17 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF LOT 1, A DISTANCE OF 42.86 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 28 WEST ALONG THE LAST DESCRIBED COURSE A DISTANCE OF 25.00 FEET TO A POINT THAT IS 231.16 FEET SOUTH OF THE NORTH LINE OF SAID LOT 1 AS MEASURED ALONG SAID EAST LINE OF NORTH WESTERN AVENUE, BEING SAID LINE 17 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 1; THENCE NORTH 89 DEGREES 48 MINUTES 26 EAST A DISTANCE OF 189.91 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 35.00 FEET, HAVING A CHORD BEARING OF SOUTH 45 DEGREES 11 MINUTES 34 SECONDS EAST AND A CHORD DISTANCE OF 49.50 FEET, FOR AN ARC DISTANCE OF 54.98 FEET TO A POINT OF TANGENCY, SAID POINT OF TANGENCY BEING THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 11 MINUTES 34 SECONDS EAST A DISTANCE OF 146.05 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 14.75 FEET, HAVING A CHORD BEARING OF SOUTH 45 DEGREES 14 MINUTES 49 SECONDS EAST

AND A CHORD DISTANCE OF 20.88 FEET, FOR AN ARC DISTANCE OF 23.20 FEET TO A POINT OF TANGENCY; THENCE NORTH 89 DEGREES 41 MINUTES 56 SECONDS EAST A DISTANCE OF 19.46 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY ALONG A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 39.50 FEET, HAVING A CHORD BEARING OF SOUTH 45 DEGREES 09 MINUTES 10 SECONDS EAST AND A CHORD DISTANCE OF 56.01 FEET, FOR AN ARC DISTANCE OF 62.25 FEET TO A POINT OF TANGENCY; THENCE SOUTH 00 DEGREES 00 MINUTES 17 SECONDS EAST A DISTANCE OF 115.48 FEET TO THE NORTH LINE OF WEST IRVING PARK ROAD, BEING A LINE 17 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOT 3; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID NORTH LINE OF WEST IRVING PARK ROAD, BEING SAID LINE 17 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID LOTS 3 AND 4, A DISTANCE OF 25.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 17 SECONDS WEST A DISTANCE OF 115.48 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 14.50 FEET, HAVING A CHORD BEARING OF NORTH 45 DEGREES 09 MINUTES 10 SECONDS WEST AND A CHORD DISTANCE OF 20.56 FEET, FOR AN ARC DISTANCE OF 22.85 FEET TO A POINT OF TANGENCY; THENCE SOUTH 89 DEGREES 41 MINUTES 56 SECONDS WEST A DISTANCE OF 19.46 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 39.75 FEET, HAVING A CHORD BEARING OF NORTH 45 DEGREES 14 MINUTES 49 SECONDS WEST AND A CHORD DISTANCE OF 56.27 FEET, FOR AN ARC DISTANCE OF 62.51 FEET TO A POINT OF TANGENCY; THENCE NORTH 00 DEGREES 11 MINUTES 34 SECONDS WEST A DISTANCE OF 146.05 FEET TO A POINT OF CURVATURE; THENCE NORTH 89 DEGREES 35 MINUTES 15 SECONDS EAST A DISTANCE OF 25.00 FEET TO THE SAID POINT OF BEGINNING; (EXCEPTING THAT PART OF SAID STRIP LYING WITHIN PARCEL 1) ALL IN COOK COUNTY, ILLINOIS.

Street Address: 2324 W. Irving Park Road
Chicago, Illinois

Permanent Index No.: 14-18-323-004-0000 (index numbers include land not included within above legal description)

EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of June 28, 2004, but only so long as applicable title endorsements issued in conjunction therewith on June 28, 2004, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any: None

EXHIBIT H

PROJECT BUDGET

| | |
|------------------------------------|------------|
| FF&E | 150,000 |
| Construction | 10,849,930 |
| General Requirements | 731,740 |
| Contractor Overhead | 231,719 |
| Contractor Profit | 608,262 |
| Bond Premium | 95,751 |
| Contingency | 625,000 |
| Sitework Contingency | 0 |
| Soils Reports | 6,130 |
| Architect Design | 390,000 |
| Architect Supervision | 117,500 |
| Architecture & Engineering | 63,400 |
| Market Study | 9,000 |
| Environmental Report | 9,687 |
| Plan Review Fee | 25,843 |
| Construction Period Interest | 85,022 |
| Appraisal & Survey | 27,500 |
| Application Fees | 2,500 |
| Chicago Title Fees | 2,840 |
| Accounting - non cost cert. | 12,500 |
| Title and Recording | 34,000 |
| Land Holding Costs | 4,000 |
| Construction Period Taxes | 5,000 |
| Construction Period Insurance | 40,000 |
| Construction Period Liability Ins. | 23,500 |
| Insurance Escrow | 40,000 |
| Debt Service - Operating Reserve | 302,759 |
| IEPA Permit | 1,700 |
| Rent up reserve | 250,000 |
| FHA Financing Fees | 41,814 |
| GNMA Issuer Fee | 28,186 |
| Rendering | 2,545 |
| FHA Exam Fee | 6,272 |
| Marketing and Leasing | 104,000 |
| TIF Reserve | 187,200 |
| Developer's Fee | 998,700 |
| Trustee Fees (During Const.) | 0 |
| Legal, Organization and Audit | 241,000 |
| MIP | 20,907 |
| FHA Inspection Fee | 10,454 |
| Replacement Reserve Deposit | 60,000 |
| Working Capital Deposit | 41,814 |
| Land Acquisition | 500,000 |
| Total | 16,988,175 |

EXHIBIT Q

HUD-REQUIRED PROVISIONS RIDER

THIS RIDER is attached to and made a part of that certain Regulatory Agreement (the "Document"), dated as of June 1, 2004, entered into by and between the City of Chicago, Illinois, an Illinois municipal corporation (the "Subordinate Lender"), through its Department of Housing ("DOH"), having its offices at 318 South Michigan Avenue, Chicago, Illinois 60604 and North Center Senior Housing L.P., an Illinois limited partnership ("Borrower"), relating to the property located at 2324 W. Irving Park Road, in Chicago, Illinois. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meaning 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 loan for the Project (Project No. 071-35747):

- A. Commitment for Insurance dated May 3, 2004, as amended, issued by the Secretary of HUD pursuant to Section 221(d)(4) to Developers Mortgage Corporation and later assigned to Midland Loan Services, Inc. ("Mortgagee");
- B. Building Loan Agreement dated June 1, 2004, between the Borrower and Mortgagee;
- C. Mortgage Note dated June 1, 2004, made by the Borrower payable to the order of Mortgagee in the principal amount of \$2,090,700 (the "Mortgage Note");
- D. Mortgage dated June 1, 2004, made by Borrower in favor of Mortgagee and encumbering the Project as security for the Mortgage Note (the "Mortgage");
- E. Security Agreement (Chattel Mortgage) dated June 1, 2004, between the Borrower, as debtor, and Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;
- F. UCC-1 Financing Statement made by the Borrower, as debtor, in favor of Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party recorded with the Cook County Recorder's Office and to be filed with the Illinois Secretary of State;
- G. Regulatory Agreement for Multifamily Housing Projects, dated June 1, 2004, between the Borrower and HUD (the "HUD Regulatory Agreement");

- H. Assignment of Rents and Leases from Maker to Mortgagee dated June 1, 2004; and
 - I. Assignment of Contracts and Documents from Maker to Mortgagee dated June 1, 2004.
-
- 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 other than those HUD Mortgage insurance regulations, related HUD directives or 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 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, except for those HUD mortgage insurance regulations, related HUD directives or administrative requirements which have been waived in writing by HUD with respect to the Project.
 - R-2 Failure on the part of the Borrower to comply with the covenants contained in the Document shall not serve as a basis for default on any HUD-insured or HUD-held mortgage on the Project.
 - R-3 Compliance by the Borrower with the provisions and covenants of the Document and enforcement of the provisions and 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 "Surplus Cash" 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 of the Borrower which is 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 Borrower 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 Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement unless 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, 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, IL 60604
Attention: Director of Multi-Family Housing
Project No. 071-35747

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

- R-9 Notwithstanding anything in the Document to the contrary, the Borrower 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. The Borrower 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 Borrower. 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 Borrower within said time, then any consent by HUD to such transfer shall be conclusively deemed to be the Subordinate Lender's prior written consent to such transfer and consummation of such transfer shall not be a default under the Document.
- R-10 The covenants contained in the Document shall automatically terminate in the event of a deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the

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

R-11 Notwithstanding anything in the Document to the contrary, the provisions of this HUD-Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

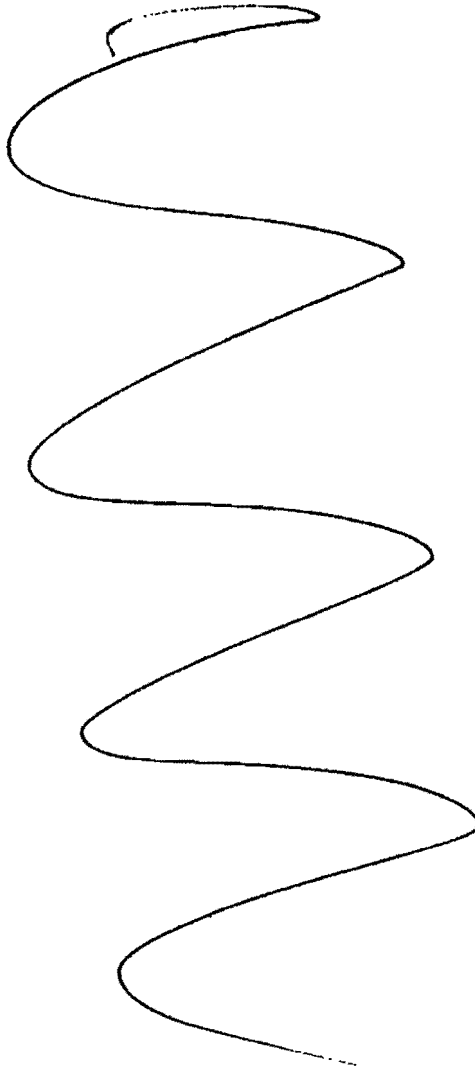


EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Line Item

Cost

50% of construction costs of affordable units
for low-income housing

\$3,500,000

TOTAL

A large, complex handwritten scribble or signature in black ink covers the lower half of the page, overlapping the 'TOTAL' label and extending across most of the width. The scribble consists of several large, sweeping loops and curves.