

- 6. That attached as (Sub)Exhibit 1 are true and correct copies of monthly invoices for the Senior Loan sent to the Developer by the Senior Lender;

In Witness Whereof, I have hereunto affixed my signature this __ day of _____,
_____.

By: _____

Its: _____

[(Sub)Exhibit 1 referred to in the Requisition Form for T.I.F. Funded
Interest Costs unavailable at time of printing.]

ISSUANCE OF CITY NOTES AND EXECUTION OF LOAN AND REDEVELOPMENT AGREEMENTS.

[O2010-831]

The Committee on Finance submitted the following report:

CHICAGO, March 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a loan agreement with Hairpin Lofts, L.L.C., the authority to enter into and execute a residential redevelopment agreement with Hairpin Lofts, L.L.C. and Brinshore 2800 Corp. and the authority to enter into and execute a retail redevelopment agreement with Hairpin Retail, L.L.C. and Brinshore 2800 Corp., amount of the funding not to exceed: \$6,600,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Fioretti, Dowell, Preckwinkle, Hairston, Lyle, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Maldonado, Burnett, E. Smith, Reboyras, Suarez, Waguespack, Mell, Colón, Mitts, Allen, Laurino, Doherty, Reilly, Daley, Tunney, Shiller, Schulter, M. Smith, Moore -- 43.

Nays -- None.

Alderman Pope moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, By virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (the "City") is a home rule unit of local government and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, As a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue obligations for the purpose of financing the cost of the acquisition, construction, rehabilitation, development, and equipping an affordable multi-family housing facility for low- and moderate-income families located in the City ("Multi-Family Housing Financing"); and

WHEREAS, By this ordinance, the City Council of the City (the "City Council") has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Financing and certain other funding, as provided herein, to Hairpin Lofts, L.L.C., an Illinois limited liability company (the "Borrower"), the manager of which is Hairpin Lofts Manager, L.L.C., an Illinois limited liability company (the "Managing Member") and, the investor members of which are to be selected, the members of the Managing Member of which are Lester and Rosalie Anixter Center, an Illinois not for profit corporation ("Anixter"), and Brinshore 2800 Corp., an Illinois corporation ("Brinshore," and together with the Borrower, the "Residential Developer"), the shareholders of which are Richard J. Sciortino, an individual, and David B. Brint, an individual, to enable it to pay or reimburse a portion of the costs of the "residential project" (as described and defined in the following paragraph)

within a building which is located at 2808, 2810 and 2812 North Milwaukee Avenue and 3406, 3414 and 3416 West Diversey Avenue (the "Facility") on real property as legally described on Exhibit A hereto and which is owned by the City (the "City Property") and to pay a portion of the costs of such financing; and

WHEREAS, The "residential project" consists of the acquisition, construction, rehabilitation, development and equipping of certain residential portions of the Facility as legally described on Exhibit B hereto (the "Residential Property"), which will consist of twenty-eight (28) rental units including twenty-five (25) affordable units (the "Affordable Units") and three (3) unrestricted units (the "Unrestricted Units" and, together with the Affordable Units, the "Units") and related common areas (collectively, the "Residential Project"); and

WHEREAS, By this ordinance, the City Council has further determined that it is necessary and in the best interests of the City to provide certain funding, as provided herein, for a "retail project" consisting of the acquisition, construction, rehabilitation, development, and equipping of portions of the first and second floors and portions of the roof of the Facility as legally described on Exhibit C hereto (the "Retail Property"), which will consist of certain retail space and an arts and community center and related common areas (the "Retail Project" and collectively with the Residential Project, the "Project"); and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to enter into a funding loan agreement (the "Funding Loan Agreement") with Citibank, N.A., a national banking association (the "Funding Lender") pursuant to which the Funding Lender will advance funds in an aggregate principal amount not to exceed Six Million Six Hundred Thousand Dollars (\$6,600,000) (the "Funding Loan") and the City will enter into a promissory note (the "Note"), to evidence the Funding Loan under the terms and conditions of this ordinance and the Funding Loan Agreement, and the City will thereafter loan the proceeds of the Funding Loan to the Borrower (the "Borrower Loan") pursuant to a borrower loan agreement (the "Borrower Loan Agreement") between the City and the Borrower, as evidenced by that certain Borrower promissory note (the "Borrower Note"), in order to finance a portion of the cost of the Residential Project in return for loan payments sufficient to pay, when due, the principal of, prepayment premium, if any, and interest on the Note; and

WHEREAS, The principal of, prepayment premium, if any, and interest payable on the Note will be secured by, among other things, a mortgage on the Residential Project and certain other related collateral, and by pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates; and

WHEREAS, The Funding Loan and the Note and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No party to the Funding Loan Agreement or holder of the Note shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Note or obligations under the Funding Loan Agreement; and

WHEREAS, In connection with the execution and delivery of the Funding Loan Agreement and the Note, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) the Funding Loan Agreement, providing for the security for and terms and conditions of the Funding Loan, and the Note to be entered into thereunder, (ii) the Borrower Loan Agreement providing for the loan of the proceeds of the Funding Loan to the Borrower and the use of such proceeds, (iii) one or more Tax Regulatory Agreements and/or tax certificates (each, a "Tax Agreement and collectively, the "Tax Agreements") between the City and the Borrower, and (iv) a Land Use Restriction Agreement between the City and the Borrower (the "Land Use Restriction Agreement"); and

WHEREAS, The City has established the Community Development Commission (the "Commission") to, among other things, designate redevelopment areas and approve redevelopment plans, and recommend the sale of parcels located in redevelopment areas, subject to the approval of the City Council; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on February 16, 2000, and published at pages 25063 through 25162 in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of such date, a certain redevelopment plan and project (the "Original Redevelopment Plan") for the Fullerton/Milwaukee Redevelopment Project Area (the "Redevelopment Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act") and pursuant to an ordinance adopted by the City Council of the City on May 11, 2005, and published at pages 47331 through 47471 in the *Journal* of such date, Amendment Number 1 to the Redevelopment Plan ("Amendment Number 1") for the Redevelopment Area was approved pursuant to the Act (the Original Redevelopment Plan as amended by Amendment Number 1 is collectively the "Redevelopment Plan"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on February 16, 2000, and published at pages 25161 through 25183 in the *Journal* of such date, the Redevelopment Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "T.I.F. Ordinance") adopted by the City Council on February 16, 2000 and published at pages 25183 through 25205 in the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) in the Redevelopment Area incurred pursuant to the Redevelopment Plan; and

WHEREAS, By Resolution adopted on May 8, 2007, the Commission authorized the City Department of Community Development ("D.C.D.") to publish notice pursuant to Section 5/11-74.4(c) of the Act and issue of a "request for proposals" (the "R.F.P.") for the sale and redevelopment of the City Property which is located in the Redevelopment Area for a historic, mixed-use redevelopment; and

WHEREAS, D.C.D. published notice on three (3) separate dates, namely on August 8, 2007, August 15, 2007 and August 22, 2007, and the R.F.P. documents were made available to the public beginning August 14, 2007; and

WHEREAS, Two (2) responsive proposals were received to the R.F.P. by the deadline indicated in the aforesaid notices and which included a proposal submitted by Brinshore Development, L.L.C., an Illinois limited liability company, the principal owners of which are also the principal owners of Brinshore; and

WHEREAS, By Resolution Number 09-CDC-66 adopted on December 8, 2009 (the "C.D.C. Resolution"), the Commission designated Brinshore Development, L.L.C., or affiliates thereof, as the successful respondent to the R.F.P. and the developer for the Project, authorized D.C.D. to negotiate, execute and deliver on the City's behalf redevelopment agreements for the Project and approved the bargain sale of the City Property for the Project; and

WHEREAS, The Project is necessary for the redevelopment of the Redevelopment Area; and

WHEREAS, The Residential Developer will undertake the Residential Project in accordance with the Redevelopment Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Residential Developer and the City (the "Residential Redevelopment Agreement"), with such Residential Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (as defined in the T.I.F. Ordinance; herein defined as the "Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, Hairpin Retail, L.L.C., an Illinois limited liability company ("H.R.L.L.C."), and its managing member Brinshore (collectively, the "Retail Developer") will undertake the Retail Project in accordance with the Redevelopment Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Retail Developer and the City (the "Retail Redevelopment Agreement" and together with the Residential Redevelopment Agreement, the "Redevelopment Agreements"), to be financed in part by certain Incremental Taxes deposited from time to time in the Fund for the Area pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, The Illinois General Assembly pursuant to 20 ILCS 3805/7.28 (as supplemented, amended and restated from time to time) has authorized a program allowing the allocation of certain tax credits for qualified donations made in connection with affordable housing projects (the "Donation Tax Credit Program"); and

WHEREAS, The conveyance of the Residential Property by the City in connection with the Residential Project may qualify under the Donation Tax Credit Program as an eligible donation, and may generate certain additional proceeds which D.C.D. would like to make available for the Residential Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago, as follows:

SECTION 1. Incorporation Of Recitals. The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference. All capitalized terms used in this ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Funding Loan Agreement and the Redevelopment Agreements.

SECTION 2. Findings And Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this ordinance, including the authority to make the specific determinations described herein, are necessary and desirable because the City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations. Thus, authority is granted to the Authorized Officer (as defined in Section 3) to establish the terms of the Funding Loan Agreement and related Note, the Borrower Loan Agreement and the Borrower Note on such terms as and to the extent such officer determines that such terms are desirable and in the best financial interest of the City. Any such designation and determination by an Authorized Officer shall be signed in writing by such Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this ordinance unless and until revoked, such revocation to be signed in writing by an Authorized Officer and filed with the City Clerk.

SECTION 3. Authorization Of The Funding Loan Agreement, The Note, The Borrower Loan Agreement And Related Agreements. The execution and delivery of the Funding Loan Agreement and the Note in an aggregate principal amount not to exceed Six Million Six Hundred Thousand Dollars (\$6,600,000) is hereby authorized. The Funding Loan Agreement and the Note shall contain a provision that they are executed and delivered under authority of this ordinance. The maximum term of the Funding Loan shall not exceed forty (40) years from the date of execution and delivery of the Note. The Note shall bear interest at a rate or rates equal to the rate of interest on the Borrower Loan as provided in the Borrower Loan Agreement (which shall not exceed the lesser of twelve percent (12%) or the maximum rate of interest allowable under state law) and shall be as determined by the Authorized Officer (as defined below) and shall be payable on the payment dates as set forth in the Funding Loan Agreement. The Note shall be dated, shall be subject to prepayment, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Funding Loan Agreement and the Note therein and as set forth in the Funding Loan Notification. The provisions for execution, signatures, payment and prepayment, with respect to the Funding Loan Agreement and the Note shall be as set forth in the Funding Loan Agreement and the form of the Note therein.

Each of (i) the Mayor of the City (the "Mayor"), the (ii) Chief Financial Officer of the City (as defined below) or (iii) any other officer designated in writing by the Mayor (the Mayor, the Chief Financial Officer or any such other officer being referred to as an "Authorized Officer") is hereby authorized to execute by their manual or, in the case of the Note, manual or facsimile signature, and to deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest by their manual or, in the case of the Note, manual or facsimile signature, the Funding Loan Agreement and the Note, in substantially the form attached hereto as Exhibit D and made a part hereof and hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval and the City Council's approval of any changes or revisions from the form of the Funding Loan Agreement and Note therein attached to this ordinance and reflecting the terms as determined in the Funding Loan Notification.

As used herein, the term "Chief Financial Officer" shall mean the Chief Financial Officer of the City appointed by the Mayor, or, if there is no such officer then holding said office, the City Comptroller.

Each Authorized Officer is hereby authorized to act as an authorized City representative (each an "Authorized City Representative") of the City for the purposes provided in the Funding Loan Agreement.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest, the Borrower Loan Agreement in substantially the form attached hereto as Exhibit E and made a part hereof and hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Borrower Loan Agreement and Borrower Note therein attached to this ordinance and reflecting the terms as determined in Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the City, in substantially the form attached hereto as Exhibit F and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Land Use Restriction Agreement attached to this ordinance and reflecting the terms as determined in Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are hereby authorized to attest the Tax Agreements on behalf of the City, in substantially the forms of such documents used in previous tax-exempt Multi-Family Housing Financings (with appropriate revisions to reflect the terms and provisions of the Funding Loan Agreement and the Note and the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder), and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Note. The execution of the Tax Agreements by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Tax Agreements.

SECTION 4. Security For The Funding Loan Agreement And The Note. The obligations of the City under the Funding Loan Agreement and the Note shall be limited obligations of the City, payable solely from and/or secured by a pledge of the following security (other than certain Unassigned Rights of the City):

(a) all right, title and interest of the City in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the City from the Borrower relating to the Residential Project and including, without limitation, all Pledged Revenues, Loan Payments and Additional Payments derived by the

City under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under the Funding Loan Agreement shall not impair or diminish the obligations of the City under the provisions of the Borrower Loan Agreement;

(b) all right, title and interest of the City in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Documents, and all other payments, revenues and receipts derived by the City under and pursuant to, and subject to the provisions of, the Funding Loan Documents;

(c) any and all monies and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under the Funding Loan Agreement, subject to the provisions of the Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein; and

(d) any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of the Funding Loan Agreement as additional security by the City or anyone on its part or with its consent, or which pursuant to any of the provisions of the Borrower Loan Agreement may come into the possession or control of the Funding Lender or a receiver appointed pursuant to the Funding Loan Agreement.

In order to secure the payment of the principal of, prepayment premium, if any, and interest on the Note, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Funding Loan Agreement and are hereby appropriated for the purposes set forth in the Funding Loan Agreement. Nothing contained in this ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in the Funding Loan Agreement to the payment of any other obligations of the City enjoying a lien or claim on such rights, proceeds and investment income as of the date of execution and delivery of the Funding Loan Agreement and the Note, all as shall be determined by the Authorized Officer at the time of the execution and delivery of the Funding Loan Agreement and the Note. The Funding Loan Agreement shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the execution and delivery of the Funding Loan Agreement and the Note.

SECTION 5. Delivery Of The Funding Loan Agreement And The Note. It has been determined that Citibank, N.A., a national banking association, or such other funding lender as approved by the Authorized Officer, shall be the initial Funding Lender and shall hold the Funding Loan Agreement and the Note, subject to the terms and conditions of a "sophisticated investor" letter (the "Investor Letter") which shall be delivered to the City by the Funding Lender. Any subsequent Funding Lender approved by the Authorized Officer, to the extent required under the Funding Loan Agreement, may succeed the initial Funding Lender as the registered holder of all or a portion of the Funding Loan, but only if such subsequent Funding Lender executes and delivers to the City an Investor Letter, substantially in the form of the

Investor Letter set forth in the Funding Loan Agreement. The aggregate costs of origination of the Funding Loan paid from the proceeds of the Funding Loan shall not exceed two percent (2%) of the aggregate principal amount of the Note.

SECTION 6. Funding Loan Notification. Subsequent to the execution and delivery of any Funding Loan Agreement and the Note, the Authorized Officer shall file in the Office of the City Clerk a Funding Loan Notification for such Funding Loan Agreement and the Note directed to the City Council setting forth (i) the aggregate original principal amount of, payment schedule, prepayment provisions for the Note, (ii) the extent of any tender rights to be granted to the holder of the Note, (iii) the interest rate on the Note, (iv) the origination fee or other compensation paid to the Funding Lender in connection with the origination of the Funding Loan and issuance of the Note, (v) any other matter authorized by this ordinance to be determined by an Authorized Officer at the time of the execution and delivery of the Funding Loan Agreement and the Note. There shall be attached to such notification the final form of the Funding Loan Agreement, a specimen of the Note and the Borrower Loan Agreement.

SECTION 7. Use Of Proceeds. The proceeds from the Funding Loan (as evidenced by the Note) shall be deposited as provided in the Funding Loan Agreement and used for the Residential Project.

SECTION 8. Volume Cap. The Funding Loan Agreement and the Note are obligations taken into account under Section 146 of the Internal Revenue Code of 1986, as amended, in the allocation of the City's volume cap.

SECTION 9. Developer Designation. The Residential Developer is hereby designated as the developer for the Residential Project and the Retail Developer is hereby designated as the developer for the Retail Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 10. Redevelopment Agreements. The Commissioner of D.C.D., the Deputy Commissioner of D.C.D., or a designee of either (the "Authorized D.C.D. Officer") is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Redevelopment Agreements and such other supporting documents as may be necessary to carry out and comply with the provisions of such agreements, with such changes, deletions and insertions as shall be approved by the persons executing such agreements. The Residential Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit G and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized D.C.D. Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval of any changes or revisions from the form of Residential Redevelopment Agreement attached to this ordinance. The Retail Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit H and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized D.C.D. Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval of any changes or revisions from the form of Retail Redevelopment Agreement attached to this ordinance.

SECTION 11. Payment Of Incremental Taxes.

(a) The City Council hereby finds that the City is authorized to pay Five Million Nine Hundred Forty-one Thousand Seven Hundred Seventy Dollars (\$5,941,770) from Incremental Taxes deposited in the General Account of the Fund (the "Excess Incremental Taxes") as the City Funds (as defined in the Residential Redevelopment Agreement) to finance a portion of the eligible costs included within the Residential Project. The City is authorized to pay from Excess Incremental Taxes an amount not to exceed Five Million Nine Hundred Forty-one Thousand Seven Hundred Seventy Dollars (\$5,941,770) as the City Funds as set forth in the Residential Redevelopment Agreement, and such City Funds are hereby appropriated for the purposes set forth in this paragraph.

(b) The City Council hereby finds that the City is authorized to pay One Million Two Hundred Ten Thousand Dollars (\$1,210,000) from Incremental Taxes deposited in the General Account of the Fund as the City Funds (as defined in the Retail Redevelopment Agreement) to finance a portion of the eligible costs included within the Retail Project. The City is authorized to pay from Excess Incremental Taxes an amount not to exceed One Million Two Hundred Ten Thousand Dollars (\$1,210,000) as the City Funds as set forth in the Retail Redevelopment Agreement, and such City Funds are hereby appropriated for the purposes set forth in this paragraph.

SECTION 12. Donation Tax Credits. The City hereby approves the conveyance of the Residential Property as a donation to Anixter from the City. The Authorized D.C.D. Officer is hereby authorized to transfer any Donation Tax Credits which may be allocated to the City under the Donation Tax Credit Program in connection with the conveyance of the Residential Property on such terms and conditions as are satisfactory to the Authorized D.C.D. Officer (the "Transfer"). The proceeds, if any, received by the City in connection with the Transfer are hereby appropriated, and the Authorized D.C.D. Officer is hereby authorized to use such proceeds to make a grant to the Managing Member, Anixter or the Borrower, in its discretion, for use in connection with the Residential Project (the "Grant"). The Authorized D.C.D. Officer is hereby authorized, subject to the approval of the Corporation Counsel, to enter into such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Transfer and the Grant. Upon the execution and receipt of proper documentation, the Authorized D.C.D. Officer is hereby authorized to disburse the proceeds of the Grant to the Managing Member, Anixter or the Borrower, in its discretion, for use in connection with the Residential Project.

SECTION 13. Conveyance Of The Property.

(a) The City is hereby authorized to sell and convey to Anixter the Residential Property for the sum of One and no/100 Dollars (\$1.00) in accordance with and subject to the terms of the Residential Redevelopment Agreement. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy Clerk to attest, a quitclaim deed conveying to Anixter the Residential Property for the consideration described therein and otherwise in accordance with and subject to the terms of the Residential Redevelopment Agreement. As a condition to the execution and delivery of the Funding Loan Agreement and the Note, Anixter shall transfer the Residential Property to the Borrower prior to or on the date of execution and delivery of the Borrower Loan Agreement and the Borrower Note.

(b) The City is hereby authorized to sell and convey to Brinshore the Retail Property for the sum of One and no/100 Dollars (\$1.00) in accordance with and subject to the terms of the Retail Redevelopment Agreement. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk to attest, a quitclaim deed conveying to Brinshore the Retail Property for the consideration described therein and otherwise in accordance with and subject to the terms of the Retail Redevelopment Agreement. As a condition to the execution and delivery of the Retail Redevelopment Agreement, Brinshore shall transfer the Retail Property to H.R.L.L.C. prior to or on the date of execution and delivery of the Retail Redevelopment Agreement.

SECTION 14. Additional Authorization. Each Authorized Officer, the City Treasurer, and the Authorized D.C.D. Officer, are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to execute and deliver, such other documents and agreements, including, without limitation, any documents necessary to evidence the receipt or assignment of any collateral for the Funding Loan Agreement and the related Note, the Borrower Loan Agreement or the Borrower Note from the Borrower, and perform such other acts as may be necessary or desirable in connection with the City Agreements (as defined in Section 18 hereof), including, but not limited to, the exercise following the delivery date of the City Agreements of any power or authority delegated to such official under this ordinance with respect to the City Agreements upon original execution and delivery, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 15. Severability. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 16. Fee Waivers, Et Cetera. The City shall waive those certain fees, if applicable, imposed by the City with respect to the Residential Project and as more fully described in Exhibit I attached hereto. The Residential Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code"). Section 2-45-110 of the Municipal Code shall not apply to the Residential Project.

SECTION 17. Administrative Fee. D.C.D. is hereby authorized to charge an administrative fee or fees in connection with the delivery and administration of the Funding Loan Agreement and the Note, which shall be collected under such terms and conditions as determined by the Authorized D.C.D. Officer and which shall be in an amount as determined by the Authorized D.C.D. Officer but not to exceed the maximum amount permitted under Section 148 of the Code to avoid characterization of the Funding Loan Agreement and the Note as "arbitrage bonds" as defined in such Section 148. Such administrative fee or fees shall be used by D.C.D. for administrative expenses and other housing activities.

SECTION 18. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 19. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Note or for any claim based thereon or upon any obligation, covenant or agreement contained in this ordinance, the Funding Loan Agreement, the Note, the Borrower Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement, the Residential Redevelopment Agreement or the Retail Redevelopment Agreement (collectively, the "City Agreements") against any past, present or future officer, member or employee of the City, or any officer, employee, director or trustee of any successor, as such, either directly or through the City, or any such successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, officer, employee, director or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the City Agreements.

SECTION 20. No Impairment. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of the City (the "Municipal Code"), or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this ordinance or the instruments authorized by this ordinance or to impair the rights of the holders of the Funding Loan and the Note to receive payment of the principal of, prepayment premium, if any, or interest on the Note or to impair the security for the Funding Loan Agreement and the Note; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

SECTION 21. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A", "B", "C", "D", "E", "F", "G", "H" and "I" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Legal Description Of Property.
(Subject To Final Title And Survey)

Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois, taken as a tract.

Exhibit "B".
(To Ordinance)

Legal Description Of Residential Property.
(Subject To Final Title And Survey)

Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois, taken as a tract, less and except that part thereof described below:

Commercial Parcel C1.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: beginning at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 19.49 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 18.03 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 7.63 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 11.99 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 4.00 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 10.76 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 3.79 feet; thence north 44 degrees, 28 minutes, 25 seconds west, 0.33 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 13.46 feet; thence south 49 degrees, 34 minutes, 33 seconds east, 9.98 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 47.07 feet to the northeasterly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 49 degrees, 29 minutes, 35 seconds west, 25.94 feet; thence south 40 degrees, 30 minutes, 25 seconds west, 58.83 feet; thence south 00 degrees, 17 minutes, 06 seconds east, 55.21 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C2A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago

City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds west, along the westerly line of said tract, 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds east, along the westerly line of said tract, 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds west, 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 6.33 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 40.45 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds east, 6.33 feet to the point of beginning in Cook County, Illinois.

Also except,

Commercial Parcel C2B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +48.77 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 25.86 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds west, 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds east, 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds west, 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 4.52 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds west, 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 6.62 feet; thence north 49 degrees, 34 minutes, 33 seconds west, 9.98 feet; thence south 40 degrees, 25 minutes, 27 seconds west, 12.54 feet; thence north 44 degrees, 28 minutes, 25 seconds west, 15.54 feet to the westerly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 40 degrees, 30 minutes, 25 seconds east, 58.26 feet; thence south 49 degrees, 29 minutes, 35 seconds east, 155.53 feet; thence north 89 degrees, 36 minutes, 08 seconds west, 130.34 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue

Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds west, along the westerly line of said tract, 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds east, along the westerly line of said tract, 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds west, 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 6.33 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 8.10 feet; thence south 00 degrees, 05 minutes, 32 seconds east, 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds east, 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds west, 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds east, 6.43 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.02 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 38.96 feet to the northeasterly line of said tract; thence north 49 degrees, 29 minutes, 35 seconds west, 6.36 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 25.86 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds east, 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds west, 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 4.52 feet to the point of beginning; thence north 17 degrees, 06 minutes, 59 seconds east, 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds west, 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 6.62 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 1.48 feet; thence south 00 degrees, 05 minutes, 32 seconds east, 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds east, 8.06 feet; thence south 17 degrees, 19 minutes,

36 seconds west, 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds east, 6.02 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3C.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying above a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 38.38 feet; thence north 00 degrees, 23 minutes, 52 seconds east, 37.27 feet to the point of beginning; thence north 72 degrees, 38 minutes, 41 seconds west, 6.02 feet; thence north 17 degrees, 19 minutes, 36 seconds east, 1.77 feet; thence north 72 degrees, 19 minutes, 30 seconds west, 8.06 feet; thence north 00 degrees, 05 minutes, 32 seconds west, 3.58 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 24.57 feet; thence south 49 degrees, 23 minutes, 45 seconds east, 10.92 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 12.00 feet; thence south 17 degrees, 06 minutes, 59 seconds west, 12.42 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3D.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 39.51 feet; thence north 89 degrees, 53 minutes, 21 seconds east, 20.59 feet to the point of beginning; thence south 79 degrees, 14 minutes, 48 seconds east, 11.05 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 11.95 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 17.53 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 17.48 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 12.24 feet; thence north 41 degrees,

06 minutes, 29 seconds east, 22.48 feet; thence south 49 degrees, 23 minutes, 47 seconds east, 29.70 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 3.98 feet; thence south 49 degrees, 34 minutes, 33 seconds east, 22.00 feet; thence south 40 degrees, 25 minutes, 27 seconds west, 13.01 feet; thence north 79 degrees, 14 minutes, 48 seconds west, 33.32 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 4.07 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3E.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +108.66 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 19.23 feet to the point of beginning; thence south 89 degrees 34 minutes, 33 seconds east, 20.58 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 20.47 feet; thence south 89 degrees, 53 minutes, 21 seconds west, 20.59 feet; thence south 00 degrees, 06 minutes, 39 seconds east, 20.28 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3F.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 19.23 feet to the point of beginning; thence south 89 degrees, 34 minutes, 33 seconds east, 22.56 feet; thence south 00 degrees, 25 minutes, 27 seconds west, 9.67 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 22.47 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 9.67 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C4.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 34.39 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds west, 10.27 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 1.08 feet; thence north 01 degrees, 20 minutes, 08 seconds west, 7.60 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 29.15 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 38.96 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 116.90 feet to the east most corner of said tract; thence north 89 degrees, 36 minutes, 08 seconds west, along the south line of said tract, 121.81 feet to the point of beginning, in Cook County, Illinois.

Exhibit "C".
(To Ordinance)

Legal Description Of Retail Property.
(Subject To Final Title And Survey)

Commercial Parcel C1.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +1.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: beginning at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 feet, 08 seconds east, along the south line of said tract, 19.49 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 18.03 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 7.63 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 11.99 feet; thence north

89 degrees, 34 minutes, 33 seconds west, 4.00 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 10.76 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 3.79 feet; thence north 44 degrees, 28 minutes, 25 seconds west, 0.33 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 13.46 feet; thence south 49 degrees, 34 minutes, 33 seconds east, 9.98 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 47.07 feet, to the northeasterly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 49 degrees, 29 minutes, 35 seconds west, 25.94 feet; thence south 40 degrees, 30 minutes, 25 seconds west, 58.83 feet; thence south 00 degrees, 17 minutes, 06 seconds east, 55.21 feet, to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C2A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of + 8.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 00 degrees, 17 minutes, 06 seconds west, along the westerly line of said tract, 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds east, along the westerly line of said tract, 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds west, 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 6.33 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 40.45 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds east, 6.33 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C2B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +48.77 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the

southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 25.86 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds west, 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds east, 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds west, 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 4.52 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds west, 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 6.62 feet; thence north 49 degrees, 34 minutes, 33 seconds west, 9.98 feet; thence south 40 degrees, 25 minutes, 27 seconds west, 12.54 feet; thence north 44 degrees, 28 minutes, 25 seconds west, 15.54 feet to the westerly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 40 degrees, 30 minutes, 25 seconds east, 58.26 feet; thence south 49 degrees, 29 minutes, 35 seconds east, 155.53 feet; thence north 89 degrees, 36 minutes, 08 seconds west, 130.34 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds west, along the westerly line of said tract, 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds east, along the westerly line of said tract, 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds west, 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 6.33 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 8.10 feet; thence south 00 degrees, 05 minutes, 32 seconds east, 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds east, 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds west, 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds east, 6.43 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.02 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 38.96 feet to the northeasterly line of said tract; thence north 49 degrees, 29 minutes, 35 seconds west, 6.36 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 25.86 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds east, 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds west, 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 4.52 feet to the point of beginning; thence north 17 degrees, 06 minutes, 59 seconds east, 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds west, 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 6.62 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 1.48 feet; thence south 00 degrees, 05 minutes, 32 seconds east, 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds east, 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds west, 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds east, 6.02 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3C.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 north, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying above a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 38.38 feet; thence north 00 degrees, 23 minutes, 52 seconds east, 37.27 feet to the point of beginning; thence north 72 degrees, 38 minutes, 41 seconds west, 6.02 feet; thence north 17 degrees, 19 minutes, 36 seconds east, 1.77 feet; thence north 72 degrees, 19 minutes, 30 seconds west, 8.06 feet; thence north 00 degrees, 05 minutes, 32 seconds west, 3.58 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 24.57 feet; thence south 49 degrees, 23 minutes, 45 seconds east, 10.92 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 12.00 feet; thence south 17 degrees, 06 minutes, 59 seconds west, 12.42 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3D.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 north, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 39.51 feet; thence north 89 degrees, 53 minutes, 21 seconds east, 20.59 feet to the point of beginning; thence south 79 degrees, 14 minutes, 48 seconds east, 11.05 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 11.95 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 17.53 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 17.48 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 12.24 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 22.48 feet; thence south 49 degrees, 23 minutes, 47 seconds east, 29.70 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 3.98 feet; thence south 49 degrees, 34 minutes, 33 seconds east, 22.00 feet; thence south 40 degrees, 25 minutes, 27 seconds west, 13.01 feet; thence north 79 degrees, 14 minutes, 48 seconds west, 33.32 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 4.07 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3E.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +108.66 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 19.23 feet to the point o beginning; thence south 89 degrees, 34 feet, 33 seconds east, 20.58 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 20.47 feet; thence south 89 degrees, 53 minutes, 21 seconds west, 20.59 feet; thence south 00 degrees, 06 minutes, 39 seconds east, 20.28 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3F.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 north, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 19.23 feet to the point of beginning; thence south 89 degrees, 34 minutes, 33 seconds east, 22.56 feet; thence south 00 degrees, 25 minutes, 27 seconds west, 9.67 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 22.47 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 9.67 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C4.

That part of Lots 18, 19, and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 34.39 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds west, 10.27 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 1.08 feet; thence north 01 degrees, 20 minutes, 08 seconds west, 7.60 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 29.15 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 38.96 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 116.90 feet to the east most corner of said tract; thence north 89 degrees, 36 minutes, 08 seconds west, along the south line of said tract, 121.81 feet to the point of beginning, in Cook County, Illinois.

*Exhibit "D".
(To Ordinance)*

Funding Loan Agreement.

This Funding Loan Agreement, dated as of _____, 20__ (this "**Funding Loan Agreement**"), is entered into by CITIBANK, N.A. (together with any successor hereunder, the "Funding Lender") and CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (together with its successors and assigns, the "**Governmental Lender**"), and;

RECITALS

WHEREAS, the Governmental Lender has been duly created and organized pursuant to and in accordance with the provisions of Article VII, Section 6 of the 1970 Constitution of the State Illinois, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Governmental Lender is authorized: (a) to make loans to any person to provide financing for rental residential developments located within the jurisdiction of the Governmental Lender and intended to be occupied in part by persons of low and moderate income, as determined by the Governmental Lender; (b) to incur indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish any required reserve funds, and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (c) to pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the payment of the principal of, prepayment premium, if any, on and interest on such indebtedness of the Governmental Lender; and

WHEREAS, Hairpin Lofts LLC, an Illinois limited liability company (the "**Borrower**"), has requested the Governmental Lender to enter into this Funding Loan Agreement under which the Funding Lender (i) will advance funds (the "**Funding Loan**") to or for the account of the Governmental Lender, and (ii) apply the proceeds of the Funding Loan to make a loan (the "**Borrower Loan**") to the Borrower to finance the acquisition and rehabilitation of a multi-family rental housing development located in Chicago, Illinois, known as Hairpin Lofts Apartments (the "**Project**"); and

WHEREAS, simultaneously with the delivery of this Funding Loan Agreement, the Governmental Lender and the Borrower will enter into a Borrower Loan Agreement dated as of _____, 20__ (as it may be supplemented or amended, the "**Borrower Loan Agreement**"), whereby the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under this Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Promissory Note (the "**Borrower Note**") and the obligations of the Borrower under the Borrower Note will be secured by a lien on and security interest in the Project pursuant to a Multifamily Mortgage, Assignment of Rents, Security Agreement dated as of _____, 20__ (the "**Security Instrument**"), made by

the Borrower in favor of the Governmental Lender, as assigned to the Funding Lender to secure the performance by the Governmental Lender of its obligations under the Funding Loan; and

WHEREAS, the Governmental Lender has executed and delivered to the Funding Lender its promissory note dated _____, 20__ (the "Governmental Lender Note") evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in this Funding Loan Agreement, all things necessary to make the Funding Loan Agreement, the valid, binding and legal limited obligations of the Governmental Lender, have been done and performed and the execution and delivery of this Funding Loan Agreement and the execution and delivery of the Governmental Lender Note, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Definitions. For all purposes of this Funding Loan Agreement, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Borrower Loan Agreement.

(b) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Funding Loan Agreement as a whole and not to any particular Article, Section or other subdivision. The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants."

(c) All references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to "Approved Accounting Method" refer to such principles as they exist at the date of application thereof.

(e) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) References to the Funding Loan as "tax-exempt" or to the "tax-exempt status" of the Funding Loan are to the exclusion of interest on the Funding Loan (other than any portion of the Funding Loan held by a "substantial user" of the facilities with respect to which the proceeds

of the Funding Loan were used or a "related person" within the meaning of Section 147 of the Code) from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

(h) The following terms have the meanings set forth below:

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

"Authorized Amount" shall mean \$[Loan Amount], the maximum principal amount of the Funding Loan under this Funding Loan Agreement.

"Authorized Denomination" shall mean \$100,000 principal amount and any multiple of \$5,000 in excess thereof.

"Authorized City Representative" shall have the meaning as set forth in the Ordinance.

"Beneficial Holder" shall mean the Person in whose name an interest in the Governmental Lender Note is recorded as beneficial holder of interest in the Governmental Lender Note by the Funding Lender or by a Securities Depository, a Participant or an Indirect Participant on the records of the Funding Lender or of a Securities Depository, a Participant or an Indirect Participant, as the case may be, or such Person's subrogee.

"Bond Counsel" shall mean, collectively, Thompson Coburn LLP and Charity Associates, P.C. or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

"Bond Counsel Approving Opinion" shall mean an opinion of Bond Counsel substantially to the effect that the Funding Loan constitutes a valid and binding obligation of the Governmental Lender and that, under existing statutes, regulations published rulings and judicial decisions, the interest on the Funding Loan is excludable from gross income for federal income tax purposes (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

"Bond Counsel No Adverse Affect Opinion" shall mean an opinion of Bond Counsel to the effect that the taking of the action specified therein will not impair the exclusion of interest on the Funding Loan from gross income for purposes of federal income taxation (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

"Book-Entry System" shall mean a book-entry system established and operated for the recordation of Beneficial Holders pursuant to Section 4.8 hereof.

"Borrower" shall mean Hairpin Lofts LLC, an Illinois limited liability company.

"Borrower Controlling Entity" shall mean, if the Borrower is a partnership, any general partner or managing partner of the Borrower, or if the Borrower is a limited liability company, the manager or managing member of the Borrower.

"Borrower Loan" shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to the Borrower Loan Agreement in the aggregate principal amount of the Borrower Loan Amount, as evidenced by the Borrower Note.

"Borrower Loan Agreement" shall mean the Borrower Loan Agreement, dated as of _____, 20__, between the Governmental Lender and the Borrower, as supplemented, amended or replaced from time to time in accordance its terms.

"Borrower Loan Agreement Default" shall mean any event of default set forth in 10.1 of the Borrower Loan Agreement. A Borrower Loan Agreement Default shall "exist" if a Borrower Loan Agreement Default shall have occurred and be continuing beyond any applicable cure period.

"Borrower Loan Amount" shall mean the amount of \$[Loan Amount].

"Borrower Loan Documents" shall mean (i) the Borrower Loan Agreement, (ii) the Borrower Note, (iii) the Security Instrument, (iv) UCC financing statements, (v) such assignments of management agreements, contracts and other rights as may be reasonably required, (vi) all other documents or agreements evidencing or relating to the Borrower Loan, and (vii) all amendments, modifications, renewals and substitutions of any of the foregoing.

"Borrower Note" shall mean the "Note" as defined in the Borrower Loan Agreement.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in New York, New York, Chicago, Illinois or the cities in which the offices of the Funding Lender are located are authorized or obligated by law, regulation, Governmental decree or executive order to be closed.

"Closing Date" shall mean _____, 20__ the date of closing and initial funding of the Funding Loan and the Borrower Loan.

"Code" shall mean the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Construction Escrow Agreement" shall mean that certain Construction Escrow Agreement dated as of _____, 20__ among the Title Company named therein, in its capacity as escrow agent, Governmental Lender, Funding Lender, certain subordinate lenders named therein, and Borrower, as such agreement may be amended, modified, supplemented and replaced from time to time.

"Construction Funding Agreement" shall mean that certain Construction Funding Agreement of even date herewith between Funding Lender and Borrower.

"Control" shall mean, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

"Default" shall mean the occurrence of an event, which, under any Funding Loan Document, would, but for the giving of notice or passage of time, or both, be an event of default under the applicable Funding Loan Document or a Borrower Loan Agreement Default.

"Event of Default" shall have the meaning ascribed thereto in Section 9.1 hereof.

"Fitch" shall mean Fitch, Inc.

"Funding Loan Agreement" shall mean this Funding Loan Agreement, dated as of _____, 20___, by and between the Funding Lender and the Governmental Lender, as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental thereto entered into pursuant to the applicable provisions thereof.

"Funding Loan Documents" shall mean (i) this Funding Loan Agreement, (ii) the Borrower Loan Agreement, (iii) the Regulatory Agreement, (iv) the Tax Compliance Agreement, (vii) the Borrower Loan Documents, (viii) all other documents evidencing, securing, governing or otherwise pertaining to the Funding Loan, and (ix) all amendments, modifications, renewals and substitutions of any of the foregoing.

"Government Obligations" shall mean noncallable, nonprepayable (i) direct, general obligations of the United States of America, or (ii) any obligations unconditionally guaranteed as to the full and timely payment of all amounts due thereunder by the full faith and credit of the United States of America (including obligations held in book-entry form), but specifically excluding any mutual funds or unit investment trusts invested in such obligations.

"Governmental Lender" shall mean the City of Chicago.

"Governmental Lender Note" shall mean the Governmental Lender Note described in the recitals of this Funding Loan Agreement.

"Highest Rating Category" shall mean, with respect to a Permitted Investment, that the Permitted Investment is rated by each Rating Agency in the highest rating category given by that Rating Agency for that general category of security. If at any time the Funding Loan is not rated (and, consequently, there is no Rating Agency), then the term "Highest Rating Category" means, with respect to a Permitted Investment, that the Permitted Investment is rated by S&P or Moody's in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is "A-1+" for debt with a term of one year or less and "AAA" for a term greater than one year, with corresponding ratings by Moody's of "MIG-1" (for fixed rate) or "VMIG-1" (for variable rate) for three months or less and "Aaa" for greater than three months. If at any time (i) the Funding Loan is not rated, (ii) both S&P and Moody's rate a Permitted Investment and (iii) one of those ratings is below the Highest Rating Category, then such Permitted Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, a Permitted Investment rated "AAA" by S&P and "Aa3" by Moody's is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Permitted Investment will be deemed to be rated below the Highest Rating Category. For example, a Permitted Investment rated "AAA" by S&P and "A1" by Moody's is not rated in the Highest Rating Category.

"Indirect Participant" shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds obligations as a securities depository through a Participant.

"Investor Letter" shall mean a letter in substantially the form attached to this Funding Loan Agreement as Exhibit B, duly executed by the holder of the Governmental Lender Note and delivered to the Governmental Lender.

"Letter of Representations" shall mean any letter of representations between the Governmental Lender and a Securities Depository.

["Material Funding Lender Event" shall mean the occurrence and continuation of one or more of the following:

(a) Prior to the advancement by the Funding Lender of the entire amount of the Funding Loan, the Funding Lender fails to advance funds requisitioned by the Borrower pursuant to the Borrower Loan Agreement and the Construction Funding Agreement other than by reason of non-conformance of such requisition with the requirements of the Borrower Loan Agreement or the Construction Funding Agreement or other failure of any condition to the funding of a requisition set forth in Article IV of the Construction Funding Agreement, AND (i) a petition has been filed and is pending against the Funding Lender under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and has not been dismissed within __ days after such filing; (ii) the Funding Lender has filed a petition, which is pending, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or has consented to the filing of any petition against it under such law; or (iii) the Funding Lender shall have a receiver, liquidator or trustee appointed for it or for the whole or substantially all of its property. The occurrence of a Material Funding Lender Event under this subsection (a) and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings;

(b) Prior to the advancement by the Funding Lender of the entire amount of the Funding Loan (i) the Funding Loan Agreement or the Construction Funding Agreement for any reason ceases to be valid and binding on the Funding Lender or is declared to be null and void, or the validity or enforceability of any provision of the Funding Loan Agreement or the Construction Funding Agreement material to the performance by the Funding Lender of its obligations thereunder is denied by the Funding Lender or any court of applicable jurisdiction, or the Funding Lender is denying further liability or obligation under the Funding Loan Agreement or the Construction Funding Agreement, in all of the above cases contrary to the terms of the Funding Loan Agreement and the Construction Funding Agreement, in any case, in a final non-appealable judgment; (ii) the Funding Lender has rescinded, repudiated or terminated the Funding Loan Agreement or the Construction Funding Agreement; or (iii) the Funding Lender is dissolved or confiscated by action of government due to war or peace time emergency or the United States government declares a moratorium on the Funding Lender's activities; or

(c) Failure by the Funding Lender (i) to respond to a complete and compliant funding requisition properly presented by the Borrower to the Funding Lender for advancement of Loan funds pursuant to the Borrower Loan Agreement and the Construction Funding Agreement within __ days of the receipt of such funding requisition, or (ii) to fully fund within __ days after

the Funding Lender approves a funding requisition from the Borrower to the Funding Lender and has confirmed such requisition for payment pursuant to the terms of the Borrower Loan Agreement and the Construction Funding Agreement.]

"Maturity Date" shall mean [_____, 20__].

"Maximum Rate" shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Funding Loan under State law.

"Moody's" shall mean Moody's Investors Service, Inc., or its successor.

"Opinion of Counsel" shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Funding Lender and the Governmental Lender with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required to address the exclusion of interest on the Funding Loan from gross income for purposes of federal income taxation, such opinion shall be provided by Bond Counsel.

"Ordinance" shall mean the Ordinance adopted by the Governmental Lender on _____, 20__ authorizing the Funding Loan and the execution and delivery of the Funding Loan Documents to which Governmental Lender is a party.

"Participant" shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds obligations as a securities depository.

"Permitted Investments" shall mean, to the extent authorized by law for investment of moneys of the Governmental Lender:

- (a) Government Obligations.
- (b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.
- (c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.
- (d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short term obligations are rated in the Highest Rating Category.
- (e) Commercial paper rated in the Highest Rating Category.
- (f) Interest bearing negotiable certificates of deposit, interest bearing time deposits, interest bearing savings accounts and bankers' acceptances, issued by a Qualified Financial Institution if either (i) the Qualified Financial Institution's unsecured short term obligations are rated in the Highest Rating Category or (ii) such deposits, accounts or acceptances are fully collateralized by investments described in clauses (a) or (b) of this definition or fully insured by the Federal Deposit Insurance Corporation.

(g) An agreement held by the Funding Lender for the investment of moneys at a guaranteed rate with a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category or the Second Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category or Second Highest Rating Category; provided that such agreement is in a form acceptable to the Funding Lender; and provided further that such agreement includes the following restrictions:

(1) the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Funding Lender is required to pay moneys from the Fund(s) established under this Funding Loan Agreement to which the agreement is applicable, or (B) any Rating Agency indicates that it will lower or actually lowers, suspends or withdraws the rating on the Funding Loan on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(2) the agreement, and if applicable the guarantee or insurance, is an unconditional and general obligation of the provider and, if applicable, the guarantor or insurer of the agreement, and ranks pari passu with all other unsecured unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(3) the Funding Lender receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms; and

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Second Highest Rating Category, the provider must, within ten days, either: (A) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Funding Lender or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Credit Provider, or, if the agreement is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Funding Lender or a third party custodian, in an amount reasonably satisfactory to the Funding Lender, (B) at the request of the Funding Lender, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium unless required by law or (C) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long-term obligations are then rated in the Highest Rating Category or the Second Highest Rating Category. The agreement may provide that the down-graded provider may elect which of the remedies to the down-grade (other than the remedy set out in (B)) to perform.

[Notwithstanding anything else in this Paragraph (g) to the contrary and with respect only to any agreement described in this Paragraph (g) or any guarantee or insurance for any such agreement which is to be in effect for any period after the Conversion Date, any reference in this

Paragraph to the "Second Highest Rating Category" will be deemed deleted so that the only acceptable rating category for such an agreement, guarantee or insurance will be the Highest Rating Category.]

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Funding Lender or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated "AAAm-G" or "AAAm" by S&P or "Aaa" by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Funding Lender, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Funding Loan is rated by a Rating Agency, the money market mutual fund must be rated "AAAm-G" or "AAAm" by S&P, if S&P is a Rating Agency, or "Aaa" by Moody's, if Moody's is a Rating Agency. If at any time the Funding Loan is not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated "AAAm-G" or "AAAm" by S&P or Aaa by Moody's. If at any time (i) the Funding Loan is not rated, (ii) both S&P and Moody's rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Funding Lender.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to Permitted Investments listed in paragraphs (g) and (i).

(2) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation.

(3) Any asset-backed security, including mortgage backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities.

(4) Any interest-only or principal-only stripped security.

(5) Any obligation bearing interest at an inverse floating rate.

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of

Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment.

Any investment to which S&P has added an "r" or "t" highlighter.

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Pledged Revenues" shall mean the amounts pledged under this Funding Loan Agreement to the payment of the principal of, prepayment premium, if any, and interest on the Funding Loan and the Governmental Lender Note, consisting of the following: (i) all income, revenues, proceeds and other amounts to which the Governmental Lender is entitled (other than amounts received by the Governmental Lender with respect to the Unassigned Rights) derived from or in connection with the Project and the Funding Loan Documents, including all Loan Payments due under the Borrower Loan Agreement and the Borrower Note, payments with respect to the Borrower Loan Payments and all amounts obtained through the exercise of the remedies provided in the Funding Loan Documents and all receipts credited under the provisions of this Funding Loan Agreement against said amounts payable, and (ii) moneys held in the funds and accounts established under this Funding Loan Agreement, together with investment earnings thereon.

"Prepayment Premium" shall mean (i) any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any Prepayment Premium as set forth in the Borrower Note) and (ii) any premium payable on the Governmental Lender Note pursuant to this Funding Loan Agreement.

"Project" shall mean the Mortgaged Property (as defined in the Security Instrument) and Improvements thereon owned by the Borrower and encumbered by the Security Instrument, together with all rights pertaining to such real property and Improvements, as more particularly described in the Granting Clauses of the Security Instrument and referred to therein as the "Mortgaged Property."

"Qualified Financial Institution" shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, savings and loan association, or insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by the Funding Lender the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (vii) other entity which is acceptable to the Funding Lender. With respect to an entity which provides an agreement held by the Funding Lender for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term "Permitted Investments" or an entity which guarantees or insures, as applicable, the agreement, a "Qualified Financial Institution" may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

"Rating Agency" shall mean any one and each of S&P, Moody's and Fitch then rating the Funding Loan or any other nationally-recognized statistical rating agency then rating the Funding Loan, which has been approved by the Funding Lender.

"Regulatory Agreement" shall mean that certain Land Use Restriction Agreement, dated as of the date hereof, by and among the Governmental Lender, the Borrower, and any compliance monitor appointed pursuant thereto, as hereafter amended or modified.

"Second Highest Rating Category" shall mean, with respect to a Permitted Investment, that the Permitted Investment is rated by each Rating Agency in the second highest rating category given by that Rating Agency for that general category of security. If at any time the Funding Loan is not rated (and, consequently, there is no Rating Agency), then the term "Second Highest Rating Category" means, with respect to a Permitted Investment, that the Permitted Investment is rated by S&P or Moody's in the second highest rating category given by that rating agency for that general category of security. By way of example, the Second Highest Rating Category for tax-exempt municipal debt established by S&P is "AA" for a term greater than one year, with corresponding ratings by Moody's of "Aa." If at any time (i) the Funding Loan is not rated, (ii) both S&P and Moody's rate a Permitted Investment and (iii) one of those ratings is below the Second Highest Rating Category, then such Permitted Investment will not be deemed to be rated in the Second Highest Rating Category. For example, an Investment rated "AA" by S&P and "A" by Moody's is not rated in the Second Highest Rating Category.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security" shall mean the security for the performance by the Governmental Lender of its obligations under the Governmental Lender Note and this Funding Loan Agreement as more fully set forth in Article IV hereof.

"Security Instrument" shall mean the Multifamily Mortgage, Assignment of Rents, Security Agreement dated as of _____, 20__ made by the Borrower in favor of the Governmental Lender, as assigned to the Funding Lender to secure the performance by the Governmental Lender of its obligations under the Funding Loan.

"Securities Depository" shall mean The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Funding Loan.

"Securities Depository Nominee" shall mean the Securities Depository or the nominee of such Securities Depository in whose name the Funding Loan shall be registered on the registration books of the Governmental Lender while the Funding Loan is in a Book-Entry System.

"Servicer" shall mean any Servicer appointed by the Funding Lender to perform certain servicing functions with respect to the Funding Loan and/or the Borrower Loan pursuant to a separate servicing agreement to be entered into between the Funding Lender and the Servicer.

"Servicing Agreement" shall mean any servicing agreement entered into between the Funding Lender and a Servicer with respect to the servicing of the Funding Loan and/or the Borrower Loan.

"S&P" shall mean Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies, Inc., or its successor.

"State" shall mean the State of Illinois.

"Tax Compliance Agreement" shall mean the Tax Compliance Agreement, dated the Closing Date, executed and delivered by the Governmental Lender and the Borrower.

"UCC" shall mean the Uniform Commercial Code as in effect in the State.

"Unassigned Rights" shall mean the Governmental Lender's rights to reimbursement and payment of its fees, costs and expenses and the Rebate Amount under Section 2.5 of the Borrower Loan Agreement, its right to payment of the Governmental Lender's Closing Fee, the Ongoing Fee and any other fees payable to the Governmental Lender under Section 2.5 thereof, its rights of access under Section 4.19 thereof, its rights to indemnification under Section 7.16 thereof, its rights to attorneys' fees under Section 7.12 thereof, its rights to enforce the terms of the Regulatory Agreement, including Borrower's covenants to comply with applicable laws, its rights to give and receive notices, reports and other statements and to enforce notice and reporting requirements and restrictions on transfers of ownership of the Project, and its rights to consent to certain matters, as provided in this Funding Loan Agreement and the Borrower Loan Agreement.

"Written Certificate," "Written Certification," "Written Consent," "Written Direction," "Written Notice," "Written Order," "Written Registration," "Written Request," and "Written Requisition" shall mean a written certificate, direction, notice, order or requisition signed by an Authorized Borrower Representative, an Authorized City Representative or an authorized representative of the Funding Lender and delivered to the Funding Lender, the Servicer or such other Person as required under the Funding Loan Documents.

"Yield" shall mean yield as defined in Section 148(h) of the Code.

Section 1.2. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.3. Date of Funding Loan Agreement. The date of this Funding Loan Agreement is intended as and for a date for the convenient identification of this Funding Loan Agreement and is not intended to indicate that this Funding Loan Agreement was executed and delivered on said date.

Section 1.4. Designation of Time for Performance. Except as otherwise expressly provided herein, any reference in this Funding Loan Agreement to the time of day shall mean the time of day in the city where the Funding Lender maintains its place of business for the performance of its obligations under this Funding Loan Agreement.

Section 1.5. Interpretation. The parties hereto acknowledge that each of them and the Funding Lender and their respective counsel have participated in the drafting and revision of this Funding Loan Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Funding Loan Agreement or any amendment or supplement or exhibit hereto or thereto.

ARTICLE II**TERMS; GOVERNMENTAL LENDER NOTE**Section 2.1. Terms.

(a) *Principal Amount.* The total principal amount of the Funding Loan is hereby expressly limited to the Authorized Amount.

(b) *Draw-Down Funding.* The Funding Loan is originated on a draw-down basis. The proceeds of the Funding Loan shall be advanced by the Funding Lender directly to the Borrower for the account of the Governmental Lender as and when needed to make each advance in accordance with the disbursement provisions of Article III of the Borrower Loan Agreement. Upon each advance of principal under the Borrower Loan Agreement, a like amount of the Funding Loan shall be deemed concurrently and simultaneously advanced under this Funding Loan Agreement, including the initial advance of \$_____. Subject to the terms and conditions of the Borrower Loan Agreement, the Funding Lender agrees to advance to the Borrower under the Borrower Loan Agreement at least \$_____ on the Closing Date, and the Governmental Lender agrees that a like amount shall be deemed correspondingly and simultaneously advanced for the account of the Governmental Lender under this Funding Loan Agreement.

(c) *Origination Date; Maturity.* The Funding Loan shall be originated on the Closing Date and shall mature on the Maturity Date.

(d) *Principal.* The outstanding principal amount of the Governmental Lender Note and of the Funding Loan as of any given date shall be the total amount advanced by the Funding Lender to or for the account of the Governmental Lender to fund corresponding advances under Article III of the Borrower Loan Agreement as proceeds of the Borrower Loan, less any payments of principal of the Governmental Lender Note previously received upon payment of corresponding principal amounts under the Borrower Note, including regularly scheduled principal payments and voluntary and mandatory prepayments. The principal amount of the Governmental Lender Note and interest thereon shall be payable on the basis specified in this paragraph (d) and in paragraphs (e) and (f) of this Section 4.1.

The Funding Lender shall keep a record of all principal advances and principal repayments made under the Governmental Lender Note and shall upon written request provide the Governmental Lender with a statement of the outstanding principal balance of the Governmental Lender Note and the Funding Loan.

(e) *Interest.* Interest shall be paid on the outstanding principal amount of the Governmental Lender Note at the rate or rates set forth in the Borrower Note and otherwise as set forth in the Borrower Loan Agreement.

(f) *Corresponding Payments.* The payment or prepayment of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Note shall be identical with and shall be made on the same dates, terms and conditions, as the principal, interest, premiums, late payment fees and other amounts due on the Borrower Note. Any payment or prepayment made by the Borrower of principal, interest, premium, if any, due on the Borrower Note shall be deemed to be like payments or prepayments of principal, interest and premium, if any, due on the Funding Loan and the Governmental Lender Note.

(g) *Usury.* The Governmental Lender intends to conform strictly to the usury laws applicable to this Funding Loan Agreement and the Governmental Lender Note and all agreements made in the Governmental Lender Note, this Funding Loan Agreement and the Funding Loan Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid as interest or the amounts paid for the use of money advanced or to be advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law and any excess interest amounts already paid shall be reimbursed to the Governmental Lender or Borrower, as the case may be. If from any circumstances whatsoever, the Funding Lender shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Funding Lender, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Borrower. This paragraph shall control every other provision of the Governmental Lender Note, this Funding Loan Agreement and all other Funding Loan Documents.

Section 2.2. Form of Governmental Lender Note. As evidence of its obligation to repay the Funding Loan, simultaneously with the delivery of this Funding Loan Agreement to the Funding Lender, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Note. The Governmental Lender Note shall be substantially in the respective form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Funding Loan Agreement.

Section 2.3. Execution and Delivery of Governmental Lender Note.

(a) The Governmental Lender Note shall be executed on behalf of the Governmental Lender by the manual or facsimile signature of its Mayor, and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk. In case any officer of the Governmental Lender whose signature or facsimile signature shall appear on the Governmental Lender Note shall cease to be such officer before the Governmental Lender Note so signed and sealed shall have been actually delivered, such Governmental Lender Note may, nevertheless, be delivered as herein provided, and may be executed and delivered as if the persons who signed or sealed such Governmental Lender Note had not ceased to hold such offices or be so employed. Any Governmental Lender Note may be signed and sealed on behalf of the Governmental Lender by such persons as, at the actual time of the execution of such Governmental Lender Note, shall be duly authorized or hold the proper office in or employment by the Governmental Lender, although at the date of the Governmental Lender Note such persons may not have been so authorized nor have held such office or employment.

Section 2.4. Investor Letter; Participations; Sale and Assignment.

(a) Subject to paragraph (b) below, the Funding Loan shall be held and subsequently transferred only in Authorized Denominations and only to holders that execute and deliver to the Governmental Lender an Investor Letter in substantially the form attached

hereto as Exhibit B. Notwithstanding the preceding sentence, no Investor Letter shall be required for the Funding Lender to (i) transfer the Funding Loan, or any interest therein, to any Affiliate or other party related to the Funding Lender or (ii) sell or transfer the Funding Loan, or any interest therein, to a special purpose entity, a trust or custodial arrangement, from which the Funding Loan, or any interest therein, is not expected to be sold except in Authorized Denominations to beneficial holders who are Qualified Institutional Buyers (as defined in Rule 144A of the Securities Act) or Accredited Investors (as defined in Regulation D promulgated under the Securities Act) and who will sign an investor letter to substantially the same effect as the Investor Letter.

(b) In addition to transfers permitted by Section 2.4(a), the Funding Loan, or any interest therein, may be transferred in whole or in part to one or more purchasers upon receipt by the Governmental Lender and each person making such transfer of (i) any disclosure document which is prepared in connection with such transfer of the Funding Loan, in such form acceptable to the Governmental Lender and accompanied by an opinion of counsel in a form satisfactory to the Governmental Lender regarding the information contained in such disclosure document, (ii) evidence that each such Funding Loan or interest therein is rated "A" or better by one of S&P or Moody's, and (iii) an opinion of Bond Counsel to the effect that (A) the exemption of the Funding Loan or interest therein or any securities evidenced thereby from the registration requirements of the Securities Act of 1933, as amended, and the exemption of this Funding Loan Agreement from qualification under the Trust Indenture Act of 1939, as amended, will not be impaired as a result of such transfer, and (B) such transfer will not adversely affect the tax-exempt status of the Funding Loan.

(c) The Funding Loan, or any interest therein, shall be in fully-registered form transferable to subsequent holders only on the registration books which shall be maintained by the Funding Lender for such purpose and which shall be open to inspection by the Governmental Lender.

(d) No service charge shall be made for any sale or assignment of any portion of the Funding Loan, but the Governmental Lender may require payment of a sum sufficient to cover any tax or other Governmental charge that may be imposed in connection with any such sale or assignment and payment of any fees and expenses incurred by the Governmental Lender in connection therewith. Such sums shall be paid in every instance by the purchaser or assignee of the Funding Loan or portion thereof.

Section 2.5. Book-Entry System.

(a) At the direction of Funding Lender, interests in the Governmental Lender Note may be delivered pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of certificates to be made except as provided in this Section. So long as a Book-Entry System is in effect for the Governmental Lender Note, one Governmental Lender Note will be executed and delivered and deposited with the Securities Depository to be held in its custody. Such Governmental Lender Note shall be registered in the name of the Securities Depository Nominee. The Book-Entry System will be maintained by the Securities Depository and the Participants and Indirect Participants and will evidence beneficial ownership of the Governmental Lender Note, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of and any premium on the Governmental Lender Note shall be payable to the Securities Depository Nominee or any other Person appearing on the register

maintained by the Funding Lender as the registered holder of the Governmental Lender Note or a certificated interest therein or his registered assigns or legal representative. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the sole holder of the Governmental Lender Note for all purposes. Transfers or exchanges, payments of principal, purchase price, interest and any premium and notices to Participants and Indirect Participants will be the responsibility of the Securities Depository, and transfers or exchanges, payments of principal, interest and any premium and notices to Beneficial Holders will be the responsibility of the Participants and the Indirect Participants. No other party will be responsible or liable for such transfers or exchanges, payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Book-Entry System is in effect, notwithstanding any other provisions set forth herein, payments of principal, premium, if any, and interest on the Governmental Lender Note shall be made to the Securities Depository or the Securities Depository Nominee, as the case may be, by wire transfer in immediately available funds to the account of such entity.

(b) The Governmental Lender, subject to the applicable rules of the Securities Depository, may at any time, at the written request of the Funding Lender or the Borrower, elect (i) to provide for the replacement of any Securities Depository as the depository for the Governmental Lender Note with another qualified Securities Depository or (ii) to discontinue the maintenance of the Governmental Lender Note under a Book-Entry System. The Governmental Lender shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository and the Funding Lender). The Funding Lender may elect from time to time to discontinue the Book-Entry System.

(c) The Governmental Lender, the Borrower and the Funding Lender shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, any Indirect Participant or any Beneficial Holder of the Governmental Lender Note or any interest therein, and none of them shall be liable for the failure of any Participant, Indirect Participant or other nominee of any Beneficial Holder of the Governmental Lender Note or any interest therein to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Holder.

(d) The terms and provisions of a letter of representations between the Governmental Lender and the Securities Depository are incorporated herein by reference and, in the event there shall exist any inconsistency between the substantive provisions of the letter of representations and any provisions of this Funding Loan Agreement, then, for as long as the initial Securities Depository shall serve with respect to the Governmental Lender Note, the terms of the letter of representations shall govern. The Funding Lender shall comply with all the rules, regulations, policies and procedures of the Securities Depository in order to effectuate the provisions and intent of this Funding Loan Agreement, the Governmental Lender and the Funding Lender.

(e) The Governmental Lender, the Borrower and the Funding Lender may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System, (ii) a certificate of any Participant as to the identity of any Indirect Participant and (iii) a certificate of any Participant or Indirect Participant as to the identity of, and the respective principal amount of interests in the Governmental Lender Note beneficially owned by, the Beneficial Holders.

ARTICLE III

PREPAYMENT

Section 3.1. Prepayment Under the Borrower Note. The Governmental Lender Note is subject to voluntary and mandatory prepayment as follows:

(a) The Governmental Lender Note shall be subject to voluntary prepayment in full (but not in part) to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the outstanding principal balance of the Borrower Note, plus interest on the Borrower Note to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Payments due and payable under the Borrower Loan Agreement through the date of prepayment.

The Borrower shall not have the right to voluntarily prepay all or any portion of the Borrower Note, thereby causing the Governmental Lender Note to be prepaid, except as specifically permitted in the Borrower Note, without the prior written consent of Funding Lender, which may be withheld in Funding Lender's sole and absolute discretion.

(b) The Governmental Lender Note shall be subject to mandatory prepayment in whole or in part upon prepayment of the Borrower Note at the direction of the Funding Lender in accordance with the terms of the Borrower Note and Section 2.9 of the Borrower Loan Agreement, at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or the Borrower Loan Agreement.

Section 3.2. Prepayment by Government Lender. The Governmental Lender Note shall be subject to voluntary prepayment in full (but not in part) by the Governmental Lender, from funds of the Governmental Lender not pledged to repayment of the Funding Loan or the Governmental Lender Note, to the extent and in the manner and on any date that the Borrower Note is subject to voluntary prepayment as set forth therein, at a prepayment price equal to the outstanding principal balance of the Borrower Note, plus interest on the Borrower Note to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Payments due and payable under the Borrower Loan Agreement through the date of prepayment.

Section 3.3. Notice of Prepayment. Notice of prepayment of the Governmental Lender Note shall be deemed given to the extent that notice of prepayment of the Borrower Note is timely and properly given to Funding Lender in accordance with the terms of the Borrower Note and the Borrower Loan Agreement, and no separate notice of prepayment of the Governmental Lender Note is required to be given.

ARTICLE IV

SECURITY

Section 4.1. Security for the Borrower Loan. To secure the payment of the Funding Loan and the Governmental Lender Note, to declare the terms and conditions on which the Funding Loan and the Governmental Lender Note are secured, and in consideration of the premises and of the funding of the Funding Loan by the Funding Lender, the Governmental

Lender by these presents does grant, bargain, sell, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Funding Lender (except as limited herein), a lien on and security interest in the following described property (excepting, however, the Unassigned Rights) (said property, rights and privileges being herein collectively called, the "Security"):

(a) All right, title and interest of the Governmental Lender in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the Governmental Lender from the Borrower relating to the Project and including, without limitation, all Pledged Revenues, Loan Payments and Additional Payments derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under this Funding Loan Agreement shall not impair or diminish the obligations of the Governmental Lender under the provisions of the Borrower Loan Agreement;

(b) All right, title and interest of the Governmental Lender in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Documents, and all other payments, revenues and receipts derived by the Governmental Lender under and pursuant to, and subject to the provisions of, the Funding Loan Documents;

(c) Any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under this Funding Loan Agreement, subject to the provisions of this Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

(d) Any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Funding Loan Agreement as additional security by the Governmental Lender or anyone on its part or with its consent, or which pursuant to any of the provisions hereof or of the Borrower Loan Agreement may come into the possession or control of the Funding Lender or a receiver appointed pursuant to this Funding Loan Agreement; and the Funding Lender is hereby authorized to receive any and all such property as and for additional security for the Funding Loan and the Governmental Lender Note and to hold and apply all such property subject to the terms hereof;

The pledge and assignment of and the security interest granted in the Security pursuant to this Section for the payment of the principal of, premium, if any, and interest on the Governmental Lender Note, in accordance with its terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Governmental Lender Note by the Governmental Lender. The Security so pledged and then or thereafter received by the Funding Lender shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Governmental Lender irrespective of whether such parties have notice thereof.

Section 4.2. Delivery of Security. To provide security for the payment of the Funding Loan and the Governmental Lender Note, the Governmental Lender has pledged and assigned to secure payment of the Funding Loan and the Governmental Lender Note its right, title and interest in the Security to the Funding Lender. In connection with such pledge, assignment, transfer and conveyance, the Governmental Lender shall deliver to the Funding Lender the

following documents or instruments promptly following their execution and, to the extent applicable, their recording or filing:

- (a) The Borrower Note endorsed without recourse in blank by the Governmental Lender;
- (b) The originally executed Borrower Loan Agreement and Regulatory Agreement;
- (c) The originally executed Security Instrument and all other Borrower Loan Documents existing at the time of delivery of the Borrower Note and an assignment for security of the Security Instrument from the Governmental Lender to the Funding Lender, in recordable form;
- (d) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Funding Lender's status as an assignee of the Governmental Lender's security interest in any personal property forming part of the Project, in form suitable for filing; and
- (e) Uniform Commercial Code financing statements giving notice of the pledge by the Governmental Lender of the Security pledged under this Funding Loan Agreement.

The Governmental Lender shall deliver and deposit with the Funding Lender such additional documents, financing statements, and instruments as the Funding Lender may reasonably require from time to time for the better perfecting and assuring to the Funding Lender of its lien and security interest in and to the Security.

ARTICLE V

LIMITED LIABILITY

Section 5.1. Source of Payment of Funding Loan and Other Obligations; Disclaimer of General Liability. The Funding Loan, together with premium, if any, and interest thereon, are special, limited obligations of the Governmental Lender, payable solely from the security pledged hereunder. The Funding Loan is not a general obligation of the Governmental Lender or a charge against its general credit or the general credit taxing powers of the State, the Governmental Lender, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the Governmental Lender, and neither the Governmental Lender, the State nor any other political subdivision thereof shall be liable for the payments of principal of and, premium, if any, and interest on the Funding Loan, and the Funding Loan is payable from no other source, but are special, limited obligations of the Governmental Lender, payable solely out of the security pledged hereunder and receipts of the Governmental Lender derived pursuant to this Funding Loan Agreement. No holder of the Funding Loan or any interest therein has the right to compel any exercise of the taxing power of the State, the Governmental Lender or any other political subdivision thereof to pay the Governmental Lender Note or the interest or premium, if any, thereon.

Section 5.2. Exempt from Individual Liability. No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Funding Loan or for any claim based thereon or any obligation, covenant or agreement in this Funding Loan Agreement against any official, officer, agent, employee or independent contractor of the Governmental Lender or any person executing the Governmental Lender Note in his or her personal capacity. No covenant,

stipulation, promise, agreement or obligation contained in the Governmental Lender Note, this Funding Loan Agreement or any other document executed in connection herewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, agent or employee of the Governmental Lender in his or her individual capacity and neither any official of the Governmental Lender nor any officers executing the Governmental Lender Note shall be liable personally on the Governmental Lender Note or under this Funding Loan Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of the Governmental Lender Note or the execution of this Funding Loan Agreement.

ARTICLE VI

CLOSING CONDITIONS; APPLICATION OF FUNDS

Section 6.1. Conditions Precedent to Closing. Closing of the Funding Loan on the Closing Date shall be conditioned upon satisfaction or waiver by the Funding Lender in its sole discretion of each of the conditions precedent to closing set forth in this Funding Loan Agreement, including but not limited to the following:

- (a) Receipt by the Funding Lender of the original Governmental Lender Note;
- (b) Receipt by the Funding Lender of the original executed Borrower Note, endorsed by the Governmental Lender to the Funding Lender;
- (c) Receipt by the Funding Lender of executed counterparts of this Funding Loan Agreement, the Borrower Loan Agreement, the Construction Funding Agreement, the Construction Escrow Agreement, the Regulatory Agreement, the Tax Compliance Agreement, the Security Instrument, and any UCC financing statement required by the Security Instrument;
- (d) A certified copy of the Ordinance;
- (e) An executed Investor Letter from the Funding Lender;
- (f) Delivery into escrow of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan and any underlying real estate transfers or transactions, including the Costs of Funding Deposit, in accordance with Section 2.3(c)(ii) of the Borrower Loan Agreement;
- (g) Receipt by the Funding Lender of a Bond Counsel Approving Opinion;
- (h) Receipt by the Funding Lender of an Opinion of Counsel from Bond Counsel to the effect that the Funding Loan is exempt from registration under the Securities Act of 1933, and this Funding Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;
- (i) Receipt by the Funding Lender of any other documents or opinions that the Funding Lender or Bond Counsel may require.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.1. Authorization to Create Funds and Accounts. No funds or accounts shall be established in connection with the Funding Loan at the time of closing and origination of the Funding Loan. The Servicer and the Funding Lender are authorized to establish and create from time to time such other funds and accounts or subaccounts with a bank or trust company approved by the Authorized City Representative as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards), if any, received by the Governmental Lender, Servicer or Funding Lender pursuant to the terms hereof or any of the other Funding Loan Documents and not immediately transferred or disbursed pursuant to the terms of the Funding Loan Documents and/or the Borrower Loan Documents.

Section 7.2. Investment of Funds. Amounts held in any funds or accounts established pursuant to Section 7.1 may be invested at the direction of the Borrower, subject in all cases to the restrictions of Section 8.6 hereof and of the Tax Compliance Agreement.

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.1. General Representations. The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State. The Governmental Lender has power and lawful authority to adopt the Ordinance, to execute and deliver the Funding Loan Documents to which it is a party (the "**Governmental Lender Documents**"), to execute and deliver the Governmental Lender Note and receive the proceeds of the Funding Loan, to apply the proceeds of the Funding Loan to make the Borrower Loan, to assign the revenues derived and to be derived by the Governmental Lender from the Borrower Loan to the Funding Lender, and to perform and observe the provisions of the Governmental Lender Documents and the Governmental Lender Note on its part to be performed and observed.

(b) The City Council of the Governmental Lender has approved the Ordinance and the Ordinance has not been amended, modified or rescinded and is in full force and effect as of the date hereof.

(c) The Governmental Lender has duly authorized the execution and delivery of each of the Funding Loan Agreement and the Governmental Lender Note and the performance of the obligations of the Governmental Lender thereunder.

(d) The Governmental Lender makes no representation or warranty, express or implied, that the proceeds of the Funding Loan will be sufficient to finance the acquisition, construction and equipping of the Project or that the Project will be adequate or sufficient for the Borrower's intended purposes.

(e) The revenues and receipts to be derived from the Borrower Loan Agreement, the Borrower Note and this Funding Loan Agreement have not been pledged previously by the

Governmental Lender to secure any of its notes or bonds other than the repayment of the Funding Loan.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION, COVENANT OR AGREEMENT AS TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT AND DOES NOT REPRESENT OR WARRANT AS TO ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE FUNDING LOAN OR THE BORROWER LOAN OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF.

Section 8.2. Further Assurances. The Governmental Lender will do, execute, acknowledge, when appropriate, and deliver from time to time at the request of the Funding Lender, to the extent permitted by the Ordinance, such further acts, instruments, financing statements and other documents as are necessary or desirable to better assure, transfer, pledge or assign to the Funding Lender of holders of interest in the Funding Loan, and grant a security interest unto the Funding Lender of holders of interests in the Funding Loan in and to the security pledged under the Funding Loan Agreement and the other properties and revenues herein described and otherwise to carry out the intent and purpose of the Funding Loan Documents and the Funding Loan.

Section 8.3. Payment of Funding Loan Obligations. The Governmental Lender will pay or cause to be paid the principal of, prepayment premium, if any, and the interest on the Funding Loan as the same become due, but solely from the security pledged under the Funding Loan Agreement.

Section 8.4. Funding Loan Agreement Performance. The Funding Lender, on behalf of the Governmental Lender, may (but shall not be required or obligated) perform and observe any such agreement or covenant of the Governmental Lender under the Funding Loan Agreement, all to the end that the Governmental Lender's rights under the Borrower Loan Agreement may be unimpaired and free from default.

Section 8.5. Servicer. The Funding Lender may appoint a Servicer to service and administer the Governmental Loan and the Borrower Loan on behalf of the Funding Lender, including without limitation the fulfillment of rights and responsibilities granted by Governmental Lender to Funding Lender pursuant to Section 2.1 of the Borrower Loan Agreement; provided, however, that no appointment of a Servicer shall release the Funding Lender from ultimate responsibility for any obligation hereunder.

Section 8.6. Tax Covenants. The Governmental Lender covenants to and for the benefit of the Funding Lender and any other holders of an interest in the Funding Loan that, notwithstanding any other provisions of this Funding Loan Agreement or of any other instrument, it will:

(i) At all times do and perform all acts and things permitted by law and this Funding Loan Agreement which are necessary or desirable in order to assure, and will not knowingly take any action which will adversely affect, the tax-exempt status of the Funding Loan; and

(ii) Not use or knowingly permit the use of any proceeds of the Funding Loan or other funds of the Governmental Lender, directly or indirectly, in any manner, and will not take or permit to be taken any other action or actions, which would result in any of the Funding Loan

being treated as an obligation not described in Section 142(a)(7) of the Code by reason of the Funding Loan or interest thereon not meeting the requirements of Section 142(d) of the Code;

In furtherance of the covenants in this Section 8.6, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Compliance Agreement, which are by this reference incorporated into this Funding Loan Agreement and made a part of this Funding Loan Agreement as if set forth in this Funding Loan Agreement in full, and by its acceptance of this Funding Loan Agreement the Funding Lender acknowledges receipt of the Tax Compliance Agreement and acknowledges its incorporation in this Funding Loan Agreement by this reference. The Funding Lender agrees it will invest funds held under this Funding Loan Agreement in Permitted Investments in accordance with the direction of the Borrower and the terms of this Funding Loan Agreement and the Tax Compliance Agreement (this covenant shall extend throughout the term of the Funding Loan, to all Funds and Accounts created under or in connection with this Funding Loan Agreement and all moneys on deposit to the credit of any Fund or Account); provided that the Funding Lender shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows directions of the Borrower not inconsistent with the terms of this Funding Loan Agreement and the Tax Compliance Agreement or otherwise complies with the provisions of the Funding Loan Agreement relating to funds and accounts. The Funding Lender further agrees to notify the Borrower of the Borrower's obligation under Section 7.24 of the Borrower Loan Agreement with respect to the calculation of arbitrage rebate; provided, however, that any failure to so notify the Borrower will in no way affect the Borrower's obligation under the Borrower Loan Agreement to cause the calculation of and, if necessary, to pay and make any required filings relating to arbitrage rebate.

For purposes of this Section 8.6 the Governmental Lender's compliance shall be based solely on matters within the Governmental Lender's control and no acts, omissions or directions of the Borrower, the Funding Lender or any other Persons shall be attributed to the Governmental Lender.

In complying with the foregoing covenants, the Governmental Lender may rely from time to time on a Bond Counsel No Adverse Affect Opinion or other appropriate opinion of Bond Counsel.

Section 8.7. Performance by the Borrower. Without relieving the Governmental Lender from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the Governmental Lender, may perform any such agreement or covenant if no Borrower Loan Agreement Default or Default under the Borrower Loan Agreement exists.

Section 8.8. Repayment of Funding Loan. Subject to the provisions of Article III hereof, the Governmental Lender will duly and punctually repay, or cause to be repaid, but solely from the Security set forth in Article IV hereof, the Funding Loan, as evidenced by the Governmental Lender Note, as and when the same shall become due, all in accordance with the terms of the Governmental Lender Note and this Funding Loan Agreement.

Section 8.9. Borrower Loan Agreement Performance.

(a) The Servicer and the Funding Lender, on behalf of the Governmental Lender, may (but shall not be required or obligated to) perform and observe any such agreement or covenant of the Governmental Lender under the Borrower Loan Agreement, all to the end that

the Governmental Lender's rights under the Borrower Loan Agreement may be unimpaired and free from default.

(b) The Governmental Lender will promptly notify the Borrower, the Servicer and the Funding Lender in writing of the occurrence of any Borrower Loan Agreement Default, provided that the Governmental Lender has received written notice or otherwise has actual knowledge of such event; and further provided that the Governmental Lender shall have no liability to any person for its failure to provide any such notice so long as it has made a good faith effort to comply with such provisions.

(c) The Funding Lender will promptly notify the Borrower, the Servicer, if any, and the Governmental Lender in writing of the occurrence of any Event of Default or any Borrower Loan Agreement Default known to the Funding Lender.

Section 8.10. Maintenance of Records; Inspection of Records.

(a) The Funding Lender shall keep and maintain adequate records pertaining to the funds and accounts, if any, established hereunder, including all deposits to and disbursements from said funds and accounts and shall keep and maintain the registration books for the Funding Loan and interests therein. The Funding Lender shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and prepayment premium, if any, paid on the Funding Loan, subject to the inspection of the Borrower, the Governmental Lender, the Servicer and their representatives at all reasonable times and upon reasonable prior notice.

(b) The Governmental Lender will at any and all times, upon the reasonable request of the Servicer, the Borrower or the Funding Lender, afford and procure a reasonable opportunity by their respective representatives to inspect the books, records, reports and other papers of the Governmental Lender relating to the Project and the Funding Loan, if any, and to make copies thereof.

Section 8.11. Representations and Warranties of the Funding Lender. The Funding Lender hereby represents to the Governmental Lender and the Borrower that it is duly authorized to enter into and perform this Funding Loan Agreement, and has full authority to take such action as it may deem advisable with respect to all matters pertaining to this Funding Loan Agreement.

Section 8.12. [Funding Lender Limitations. Notwithstanding anything herein or in the Borrower Loan Agreement to the contrary, prior to the advancement by the Funding Lender of all advances of loan funds hereunder (and, by virtue hereof, under the Borrower Loan Agreement and the Construction Funding Agreement), and only prior to such final advancement of all loan funds hereunder, no notice to or consent of the Funding Lender shall be required under any provision of this Funding Loan Agreement or the Borrower Loan Agreement nor shall the Funding Lender have any right to receive notice of, consent to, direct or control any actions, restrictions, rights, remedies, waivers or acceleration pursuant to any provision of this Funding Loan Agreement or the Borrower Loan Agreement during any time that (a) any Material Funding Lender Event shall have occurred and be continuing; or (b) the Funding Loan Agreement and the Construction Funding Agreement are not in effect and all obligations of the Governmental Lender and the Borrower, including payment obligations, pursuant to the Funding Loan Agreement, Governmental Lender Note, Borrower Loan Agreement and Borrower Note have been fully satisfied.]

ARTICLE IX**DEFAULT; REMEDIES**

Section 9.1. Events of Default. Any one or more of the following shall constitute an event of default (an "Event of Default") under this Funding Loan Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or Governmental body):

(a) A default in the payment of any interest upon the Governmental Lender Note when such interest becomes due and payable; or

(b) A default in the payment of principal of, or premium on, the Governmental Lender Note when such principal or premium becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for mandatory prepayment or otherwise; or

(c) Subject to Section 8.7 hereof, default in the performance or breach of any material covenant or warranty of the Governmental Lender in this Funding Loan Agreement (other than a covenant or warranty or default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given written notice, as provided in Section 11.1 hereof, to the Governmental Lender and the Borrower by the Funding Lender or the Servicer, specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Funding Loan Agreement; provided that, so long as the Governmental Lender has commenced to cure such failure to observe or perform within the thirty (30) day cure period and the subject matter of the default is not capable of cure within said thirty (30) day period and the Governmental Lender is diligently pursuing such cure to the Funding Lender's satisfaction, with the Funding Lender's Written Direction or Written Consent, then the Governmental Lender shall have an additional period of time as reasonably necessary (not to exceed 30 days unless extended in writing by the Funding Lender) within which to cure such default; or

(d) A default in the payment of any Additional Payment; or

(e) Any other "Default" or "Event of Default" under any of the other Funding Loan Documents (taking into account any applicable grace periods therein).

Section 9.2. Acceleration of Maturity; Rescission and Annulment.

(a) Subject to the provisions of Section 9.12 hereof, upon the occurrence of an Event of Default under Section 9.1 hereof, then and in every such case, the Funding Lender may declare the principal of the Funding Loan and the Governmental Lender Note and the interest accrued to be immediately due and payable, by notice to the Governmental Lender and the Borrower and upon any such declaration, all principal of and Prepayment Premium, if any, and interest on the Funding Loan and the Governmental Lender Note shall become immediately due and payable.

(b) At any time after a declaration of acceleration has been made pursuant to subsection (a) of this Section, the Funding Lender may by Written Notice to the Governmental Lender, rescind and annul such declaration and its consequences if:

(i) There has been deposited with the Funding Lender a sum sufficient to pay (1) all overdue installments of interest on the Funding Loan, (2) the principal of and Prepayment Premium on the Funding Loan that has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Funding Loan, (3) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Funding Loan, and (4) all sums paid or advanced by the Funding Lender and the reasonable compensation, expenses, disbursements and advances of the Funding Lender, its agents and counsel (but only to the extent not duplicative with subclauses (1)-(3) above); and

(ii) All Events of Default, other than the non-payment of the principal of the Funding Loan which have become due solely by such declaration of acceleration, have been cured or have been waived in writing as provided in Section 9.12.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Notwithstanding the occurrence and continuation of an Event of Default, it is understood that the Funding Lender shall pursue no remedies against the Borrower, the Project or the Project Fund if no Borrower Loan Agreement Default has occurred and is continuing. An Event of Default hereunder shall not in and of itself constitute a Borrower Loan Agreement Default.

Section 9.3. Remedies upon Unremedied Material Funding Lender Event. Upon the occurrence of a Material Funding Lender Event which shall continue unremedied for a period of ___ days (a "Funding Lender Event of Default"), the Governmental Lender may pursue any remedy available at law or in equity.]

Section 9.4. Additional Remedies; Funding Lender Enforcement.

(a) Upon the occurrence of an Event of Default, the Funding Lender may, subject to the provisions of this Section 9.4 and the last paragraph of Section 9.13, proceed to protect and enforce its rights by mandamus or other suit, action or proceeding at law or in equity. No remedy conferred by this Funding Loan Agreement upon or remedy reserved to the Funding Lender is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Funding Lender hereunder or now or hereafter existing at law or in equity or by statute.

(b) Upon the occurrence and continuation of any Event of Default, the Funding Lender may proceed forthwith to protect and enforce its rights and this Funding Loan Agreement by such suits, actions or proceedings as the Funding Lender, in its sole discretion, shall deem expedient. Funding Lender shall have upon the occurrence and continuation of any Event of Default all rights, powers, and remedies with respect to the Security as are available under the Uniform Commercial Code applicable thereto or as are available under any other applicable law at the time in effect to the extent permitted by applicable law:

(i) to take possession of the Security or any part thereof, with or without legal process, and to hold, service, administer and enforce any rights thereunder or thereto, and otherwise exercise all rights of ownership thereof, including (but not limited to) the sale of all or part of the Security;

(ii) to become mortgagee of record for the Borrower Loan and to service and administer the same for its own account;

(iii) to service and administer the Funding Loan as agent and on behalf of the Governmental Lender or otherwise, and, if applicable, to take such actions necessary to enforce the Borrower Loan Documents and the Funding Loan Documents on its own behalf, and to take such alternative courses of action, as it may deem appropriate; or

(iv) to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Governmental Lender Note, this Funding Loan Agreement or the other Funding Loan Documents, or the Borrower Loan Documents, or in and of the execution of any power herein granted, or for foreclosure hereunder, or for enforcement of any other appropriate legal or equitable remedy or otherwise as the Funding Lender may elect.

(c) Whether or not an Event of Default has occurred, and except as provided in Sections 9.3, the Funding Lender, in its sole discretion, shall have the sole right to waive or forbear any term, condition, covenant or agreement of the Security Instrument, the Borrower Loan Agreement, the Borrower Note or any other Borrower Loan Documents or Funding Loan Documents applicable to the Borrower, or any breach thereof, other than a covenant that would adversely impact the tax-exempt status of the Funding Loan, and provided that the Governmental Lender may enforce specific performance with respect to the Unassigned Rights; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(d) If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 60 days after the Borrower and the Funding Lender receive Written Notice stating that a default under the Regulatory Agreement has occurred and specifying the nature of the default, the Funding Lender shall have the right to seek specific performance of the provisions of the Regulatory Agreement or to exercise its other rights or remedies thereunder; provided, however, that any such forbearance by the Funding Lender in the exercise of its remedies under the Funding Loan Documents shall not be construed as a waiver by the Funding Lender of any Conditions to Conversion.

(e) If the Borrower defaults in the performance of its obligations under the Borrower Loan Agreement to make rebate payments, to comply with any applicable continuing disclosure requirements, or to make payments owed pursuant to Sections 2.5, 7.15 or 7.16 of the Borrower Loan Agreement for fees, expenses or indemnification, the Funding Lender shall have the right to exercise all its rights and remedies thereunder (subject to the last paragraph of Section 9.13 hereof).

Section 9.5. Application of Money Collected. Any money collected by the Funding Lender pursuant to this Article and any other sums then held by the Funding Lender as part of

the Security, shall be applied in the following order, at the date or dates fixed by the Funding Lender:

(i) First: To the payment of any and all fees due the Governmental Lender, the Servicer or the Rebate Analyst under the Borrower Loan Documents;

(ii) Second: To the payment of any and all amounts due under the Funding Loan Documents other than with respect to principal and interest accrued on the Funding Loan;

(iii) Third: To the payment of the whole amount of the Funding Loan, as evidenced by the Governmental Lender Note, then due and unpaid in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Funding Loan) on overdue principal of, and Prepayment Premium and overdue installments of interest on the Funding Loan; provided, however, that partial interests in any portion of the Funding Loan shall be paid in such order of priority as may be prescribed by Written Direction of the Funding Lender in its sole and absolute discretion; and

(iv) Fourth: The payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 9.6. Remedies Vested in Funding Lender. All rights of action and claims under this Funding Loan Agreement or the Governmental Lender Note may be prosecuted and enforced by the Funding Lender without the possession of the Governmental Lender Note or the production thereof in any proceeding relating thereto.

Section 9.7. Restoration of Positions. If Funding Lender shall have instituted any proceeding to enforce any right or remedy under this Funding Loan Agreement and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Funding Lender, then and in every such case the Governmental Lender and the Funding Lender shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Governmental Lender and the Funding Lender shall continue as though no such proceeding had been instituted.

Section 9.8. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Funding Lender is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.9. Delay or Omission Not Waiver. No delay or omission of the Funding Lender to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Funding Lender may be exercised

from time to time, and as often as may be deemed expedient, by Funding Lender. No waiver of any default or Event of Default pursuant to Section 9.10 hereof shall extend to or shall affect any subsequent default or Event of Default hereunder or shall impair any rights or remedies consequent thereon.

Section 9.10. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Funding Lender, the Funding Lender may, subject to Section 9.7 hereof, by Written Notice to the Governmental Lender and the Borrower, waive any past default hereunder or under the Borrower Loan Agreement and its consequences except for default in obligations due the Governmental Lender pursuant to or under the Unassigned Rights. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Funding Loan Agreement and the Borrower Loan Agreement; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 9.11. Remedies Under Borrower Loan Agreement or Borrower Note. As set forth in this Section 9.11, the Funding Lender shall have the right, in its own name or on behalf of the Governmental Lender, to declare any default and exercise any remedies under the Borrower Loan Agreement or the Borrower Note, whether or not the Governmental Lender Note has been accelerated or declared due and payable by reason of an Event of Default.

Section 9.12. Waiver of Appraisal and Other Laws.

(a) To the extent permitted by law, the Governmental Lender will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Funding Loan Agreement; and the Governmental Lender, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Governmental Lender, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Security marshaled upon any enforcement hereof.

(b) If any law in this Section referred to and now in force, of which the Governmental Lender or its successor or successors might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section.

Section 9.13. Suits to Protect the Security. Subject to the provisions of Section 9.11 hereof, the Funding Lender shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Security by any acts that may be unlawful or in violation of this Funding Loan Agreement and to protect its interests in the Security and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any Governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Funding Lender.

Section 9.14. Remedies Subject to Applicable Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in

the premises and to be limited to the extent necessary so that they will not render this Funding Loan Agreement invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Section 9.15. Assumption of Obligations. In the event that the Funding Lender or its permitted assignee or designee in accordance with Section 2.4 hereof shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under the Borrower Loan Agreement, the Borrower Note, the Regulatory Agreement and any other Funding Loan Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower.

It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default hereunder, rights and remedies may be pursued pursuant to the terms of the Funding Loan Documents.

ARTICLE X

AMENDMENT; AMENDMENT OF BORROWER LOAN AGREEMENT AND OTHER DOCUMENTS

Section 10.1. Amendment of Funding Loan Agreement. Any of the terms of this Funding Loan Agreement and the Governmental Lender Note may be amended or waived only by an instrument signed by the Funding Lender and the Governmental Lender and, only if such change will materially and adversely affect the interest of the Borrower, consented to by the Borrower. All of the terms of this Funding Loan Agreement shall be binding upon the successors and assigns of and all persons claiming under or through the Governmental Lender or any such successor or assign, and shall inure to the benefit of and be enforceable by the successors and assigns of the Funding Lender.

Section 10.2. Amendments Requiring Funding Lender Consent. The Governmental Lender shall not consent to any amendment, change or modification of the Borrower Loan Agreement or any other Loan Document or Funding Loan Document without the prior Written Consent of the Funding Lender; provided, however, that such prior Written Consent shall not be required with respect to any such amendment, change or modification undertaken by the Governmental Lender in order to preserve one or more of its Unassigned Rights. Governmental Lender agrees to provide the Funding Lender with prompt notification of any such amendments, modifications or changes not requiring the prior Written Consent of the Funding Lender.

Section 10.3. Consents and Opinions. No amendment to this Funding Loan Agreement or any other Funding Loan Document entered into under this Article X or any amendment, change or modification otherwise permitted under this Article X shall not become effective unless and until (i) the Funding Lender shall have approved the same in writing in its sole discretion and (ii) the Funding Lender and the Governmental Lender shall have received, at the expense of the Borrower (unless such change, amendment or modification is requested by the Funding Lender solely to improve, but not maintain, the value of the Funding Loan), a Bond Counsel No Adverse Affect Opinion and an Opinion of Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Funding Loan Agreement and is a legal, valid and binding obligation of the parties thereto, subject to normal exceptions relating to bankruptcy, insolvency and equitable principles limitations. No

modification or amendment of the terms of the Borrower Note may be undertaken without the prior Written Consent of the Governmental Lender and the Funding Lender and the provision to the Funding Lender and the Governmental Lender, at the expense of the Borrower (unless such change, amendment or modification is requested by the Funding Lender solely to improve, but not maintain, the value of the Funding Loan), of a Bond Counsel No Adverse Affect Opinion with regard to such proposed modification.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices.

(a) All notices, demands, requests and other communications required or permitted to be given by any provision of this Funding Loan Agreement shall be in writing and sent by first-class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

If to the Governmental Lender:	<input type="checkbox"/>
If to the Borrower:	<input type="checkbox"/>
and with a copy to:	<input type="checkbox"/>
and with a copy to the Equity Investor:	<input type="checkbox"/>
with a copy to:	<input type="checkbox"/>
If to the Funding Lender:	<input type="checkbox"/>
And a copy of any notices of default sent to:	<input type="checkbox"/>
If to the Servicer:	<input type="checkbox"/>
With a copy to:	<input type="checkbox"/>

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Funding Loan Agreement: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first-class, or, if applicable, certified mail, return receipt requested, postage

prepaid; (ii) on the date of transmission when delivered by confirmed telecopier or facsimile transmission, telex, telegraph, electronic mail or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day, and provided further that notice to the Governmental Lender shall not be deemed to have been given until actually received by the Governmental Lender. --Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Funding Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Funding Loan Agreement may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Funding Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 11.2. Term of Funding Loan Agreement. This Funding Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Funding Loan has been retired or the payment thereof has been provided for (such payment or provision to be solely from the Security set forth in Article IV hereof as further provided in Section 8.8 hereof); except that on and after payment in full of the Governmental Lender Note, this Funding Loan Agreement shall be terminated, without further action by the parties hereto.

Section 11.3. Successors and Assigns. All covenants and agreements in this Funding Loan Agreement by the Governmental Lender shall bind its successors and assigns, whether so expressed or not.

Section 11.4. Legal Holidays. In any case in which the date of payment of any amount due hereunder or the date on which any other act is to be performed pursuant to this Funding Loan Agreement shall be a day that is not a Business Day, then payment of such amount or such act need not be made on such date but may be made on the next succeeding Business Day, and such later payment or such act shall have the same force and effect as if made on the date of payment or the date fixed for prepayment or the date fixed for such act, and no additional interest shall accrue for the period after such date and prior to the date of payment.

Section 11.5. Governing Law. This Funding Loan Agreement shall be governed by and shall be enforceable in accordance with the laws of the State.

Section 11.6. Severability. If any provision of this Funding Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Note or in this Funding Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Funding Lender only to the full extent permitted by law.

Section 11.7. Execution in Several Counterparts. This Funding Loan Agreement may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 11.8. Nonrecourse Obligation of the Borrower. Except as otherwise provided in the Borrower Loan Agreement, the obligations of the Borrower under this Funding Loan Agreement are without recourse to the Borrower or to the Borrower's partners or members, as the case may be, and the provisions of Section 10.1 of the Borrower Loan Agreement are by this reference incorporated herein.

Section 11.9. Electronic Transactions. The transactions described in this Funding Loan Agreement may be conducted and related documents and may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the Funding Lender and the Governmental Lender have caused this Funding Loan Agreement to be duly executed as of the date first written above.

[FUNDING LENDER]

By: _____
Authorized Signatory

CITY OF CHICAGO

By: _____
Gene R. Saffold
Chief Financial Officer

Attest: _____
Miguel del Valle, City Clerk

(Sub)Exhibits "A" and "B" referred in this Funding Loan Agreement with Citibank N.A. read as follows:

(Sub)Exhibit "A".
(To Funding Loan Agreement With Citibank N.A.)

Form Of Governmental Lender Note.

\$_[Loan Amount]*

For Value Received, The undersigned City of Chicago ("Obligor") promises to pay to the order of [Funding Lender] ("Holder") the maximum principal sum of \$_[Loan Amount], on _____, 20____, or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Funding Loan Agreement, dated as of _____, 20____ (the "Funding Loan Agreement"), between Obligor and Holder, an amount in immediately available funds sufficient to pay the principal amount of and Prepayment Premium, if any, on the Funding Loan then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of the Funding Loan, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on the Funding Loan in accordance with the Funding Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of the Funding Loan so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Funding Loan Agreement.

Obligor shall pay to the Holder on or before each date on which interest on the Funding Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on the Funding Loan then due and payable in the amounts and at the rate or rates set forth in the Funding Loan Agreement.

The Funding Loan and this Governmental Lender Note are pass-through obligations relating to a loan (the "Borrower Loan") made by Obligor from proceeds of the Funding Loan to _____, an Illinois, _____ as borrower (the "Borrower"), under that certain Borrower Loan Agreement, dated as of _____, 20____ (as the same may be modified, amended or supplemented from time to time, the "Borrower Loan Agreement"), between the Obligor and the Borrower, evidenced by the Borrower Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Note for complete payment and prepayment terms of the Borrower Note, payments on which are passed-through under the Governmental Lender Note.

This Governmental Lender Note is a limited obligation of the Obligor, payable solely from the Pledged Revenues and other funds and monies and security pledged and assigned under the Funding Loan Agreement. The Funding Loan, together with premium, if any, and

* To be completed prior to attaching this form to the Borrower Loan Agreement as Exhibit G.

interest thereon, are special, limited obligations of the Governmental Lender, payable solely from the security pledged hereunder. The Funding Loan is not a general obligation of the Governmental Lender or a charge against its general credit or the general credit taxing any other political subdivision thereof shall be liable for the payments of principal of and, powers of the State, the Governmental Lender, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the Governmental Lender, and neither the Governmental Lender, the State nor any other political subdivision thereof shall be liable for the payments of principal of and, premium, if any, and interest on the Funding Loan, and the Funding Loan is payable from no other source, but are special, limited obligations of the Governmental Lender, payable solely out of the security pledged hereunder and receipts of the Governmental Lender derived pursuant to this Funding Loan Agreement. No holder of the Funding Loan or any interest therein has the right to compel any exercise of the taxing power of the State, the Governmental Lender or any other political subdivision thereof to pay the Governmental Lender Note or the interest or premium, if any, thereon.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement or in the Borrower Loan Agreement.

This Governmental Lender Note is subject to the express condition that at no time shall interest be payable on this Governmental Lender Note or the Funding Loan Agreement at a rate in excess of the maximum permitted by law; and Obligor shall not be obligated or required to pay, nor shall the Holder per permitted to charge or collect, interest at a rate in excess of such maximum rate. If by the terms of this Governmental Lender Note or of the Funding Loan Agreement, Obligor is required to pay interest at a rate in excess of such maximum rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such maximum rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Lender Note is subject to all of the terms, conditions, and provisions of the Funding Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Funding Loan Documents, then in any such event and subject to the requirements set forth in the Funding Loan Agreement, the Holder may declare the entire unpaid principal balance of this Governmental Lender Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements, contained in the Funding Loan Documents are hereby made part of this Governmental Lender Note.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Governmental Lender Note or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on anyone occasion shall not

be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Holder under this Governmental Lender Note and the Funding Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Holder at law or in equity or under any other agreement.

Obligor shall pay all costs of collection on demand by the Holder, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Funding Loan Agreement.

This Governmental Lender Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Holder of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Holder of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Holder to any action of Obligor which is subject to consent or approval of the Holder hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

In Witness Whereof, The undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

Obligor:

City of Chicago

By: _____
Gene R. Saffold,
Chief Financial Officer

Attest: _____
Miguel del Valle, City Clerk

[Seal]

(Sub)Exhibit "B".
(To Funding Loan Agreement With Citibank N.A.)

Form Of Investor Letter.

_____, 20__

City of Chicago
Chicago, Illinois

Re: Loan in the Maximum Amount of \$[Loan Amount] from [Funding Lender] to the City of Chicago (the "Governmental Lender") [pursuant to an Ordinance adopted on _____, 20__ (the "Ordinance") by the City of Chicago, the Governmental Lender or under a Funding Loan Agreement dated as of _____, 20__ (the "Funding Loan Agreement") between the Funding Lender and the Governmental Lender (the "Funding Loan")]

Ladies and Gentlemen:

The undersigned, as holder (the "Holder" or the "Funding Lender") of the above-referenced funding loan (the "Funding Loan") originated pursuant to an Ordinance adopted on _____, 20__ (the "Ordinance") by the City of Chicago (the "Governmental Lender") and under a Funding Loan Agreement dated as of _____, 20__ (the "Funding Loan Agreement") between the Governmental Lender and Holder, as Funding Lender, hereby represents that:

1. The Funding Lender hereby acknowledges the execution and delivery of the Funding Loan in the original aggregate principal amount of \$[Loan Amount].
2. The Funding Lender has authority to make the Funding Loan and to execute this Investor Letter and any other instrument and documents required to be executed by the Funding Lender in connection with the Funding Loan.
3. The Holder has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Funding Loan. We are able to bear the economic risks of such investment.
4. The Holder acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Holder has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Project, the use of proceeds of the

Funding Loan and the Funding Loan and the security therefor so that, as a reasonable investor, the Holder has been able to make its decision to extend the Funding Loan [or an interest therein]. The Funding Lender understands that the Funding Loan is not registered under the Securities Act of 1933, as amended, and that such registration is not legally required as of the date hereof; and further understands that the Funding Loan (i) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) will not be listed in any stock or other securities exchange, (iii) will not carry a rating from any rating service and (iv) will be delivered in a form which is not readily marketable. The Holder acknowledges that it has not relied upon the addressee hereof for any information in connection with the Holder's purchase of the Funding Loan [or an interest therein].

5. The Holder is a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended) or an Accredited Investor (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended).

6. The Holder acknowledges that we are purchasing [an interest in] the Funding Loan for investment for our own account and not with a present view toward resale or the distribution thereof, in that we do not now intend to resell or otherwise dispose of all or any part of our interests in the Funding Loan. Subject to paragraph 7 below, the Funding Lender acknowledges and agrees that the Funding Loan, or interests therein, can be sold and subsequently transferred only to purchasers that execute and deliver to the Governmental Lender an investor letter from the transferee to substantially the same effect as this Investor Letter or in such other form authorized under the Funding Loan Agreement with no revisions except as may be approved in writing by the Governmental Lender; provided, however, that no Investor Letter shall be required for the Funding Lender to (i) transfer the Funding Loan, or interest therein, to any Affiliate or other party related to the Funding Lender or (ii) sell or transfer the Funding Loan, or interest therein, to a special purpose entity, a trust or custodial arrangement, from which the Funding Loan, or interests therein, are not expected to be sold except to beneficial holders Who are Qualified Institutional Buyers or Accredited Investors and who will sign an investor letter to substantially the same effect as this Investor Letter in compliance with all applicable federal and state securities laws then in effect.

7. In addition to the right to sell or transfer the Funding Loan, or interests therein, as set forth in paragraph 6 above, the Funding Lender further acknowledges its right to sell or transfer the Funding Loan, or interests therein, to one or more purchasers upon receipt by the Governmental Lender, and each party to such transfer of (a) any disclosure document which is prepared in connection with such transfer of the Funding Loan, or interest therein, in such form acceptable to the Governmental Lender and accompanied by an opinion of counsel in a form satisfactory to the Governmental Lender regarding the information contained in such disclosure document, (b) evidence that each such Funding Loan is rated "A" or better by one of S&P or Moody's, and (c) an opinion of Bond Counsel to the effect that the exemption of the Funding Loan, or interest therein, or any securities evidenced

thereby from the registration requirements of the Securities Act of 1933, as amended, and the exemption of this Funding Loan Agreement from qualification under the Trust Indenture Act of 1939, as amended, will not be impaired as a result of such transfer, and such transfer will not adversely affect the exclusion of interest accrued on the Governmental Lender Note from gross income of the holders thereof (other than a holder who is a "substantial user" of the facilities with respect to which the proceeds of the Funding Loan were used or a "related person" to a "substantial user," as defined in Section 147(a) of the Code) for federal income tax purposes. The Funding Lender will provide the Governmental Lender with a draft of any placement memorandum to be provided to any subsequent buyer or beneficial holder of the Funding Loan, or interests therein, and the Governmental Lender shall have the right to approve any description of the Governmental Lender and the Funding Loan, or interests therein (which approval shall not be unreasonably withheld).

8. The Funding Lender understands that the Governmental Lender Note are limited obligations of the Governmental Lender; payable solely from funds and monies pledged and assigned under the Funding Loan Agreement, and that the liabilities and obligations of the Governmental Lender with respect to the Funding Loan are expressly limited as set forth in the Funding Loan Agreement and related documents. The Funding Lender acknowledges that the Funding Loan is not an indebtedness of the Governmental Lender or a charge against its general credit or the general credit taxing powers of the State, the Governmental Lender, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the Governmental Lender, and neither the Governmental Lender, the State nor any other political subdivision thereof shall be liable for the payments of principal of and, premium, if any, and interest on the Funding Loan, and the Funding Loan is payable from no other source, but are special, limited obligations of the Governmental Lender, payable solely out of the security pledged under the Funding Loan Agreement and receipts of the Governmental Lender derived pursuant to the Funding Loan Agreement and the Borrower Loan Agreement. The Funding Lender acknowledges that no holder of the Funding Loan, or any interest therein, has the right to compel any exercise of the taxing power of the State, the Governmental Lender or any other political subdivision thereof to pay the Funding Loan or the interest or premium, if any, thereon.

9. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Funding Loan Agreement.

[], as Holder

By: _____

Name: _____

Its: _____

Exhibit "E".
(To Ordinance)

BORROWER LOAN AGREEMENT

Between

CITY OF CHICAGO,
as Governmental Lender,

and

HAIRPIN LOFTS, LLC,
as Borrower

Dated as of [____], 2010

Relating to:

\$ _____
Funding Loan originated by CITIBANK, N.A., as Funding Lender

The interest of the Governmental Lender in this Borrower Loan Agreement (except for certain rights described herein) has been pledged and assigned to CITIBANK, N.A., as funding lender (the "Funding Lender"), under that certain Funding Loan Agreement, of even date herewith, by and between CITY OF CHICAGO (the "Governmental Lender") and the Funding Lender, under which the Funding Lender is originating a loan to Governmental Lender to fund the Borrower Loan made under this Borrower Loan Agreement.

THIS BORROWER LOAN AGREEMENT (this "Borrower Loan Agreement") is entered into as of the [] day of [____], 2010, between the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the constitution and laws of the state of Illinois (together with its successors and assigns, the

"Governmental Lender") and HAIRPIN LOFTS, LLC, an Illinois limited liability company (together with its successors and assigns, the "Borrower").

WITNESSETH:

RECITALS

WHEREAS, the Governmental Lender has been duly created and organized pursuant to and in accordance with the provisions of Article VII, Section 6 of the 1970 Constitution of the State of Illinois, for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Governmental Lender is authorized: (a) to make loans to any person to provide financing for rental residential developments located within the jurisdiction of the Governmental Lender and intended to be occupied in part by persons of low and moderate income, as determined by the Governmental Lender; (b) to incur indebtedness for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Governmental Lender; and (c) to pledge all or any part of the revenues, receipts or resources of the Governmental Lender, including the revenues and receipts to be received by the Governmental Lender from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Governmental Lender in order to secure the payment of the principal or redemption price of and interest on such indebtedness of the Governmental Lender; and

WHEREAS, Hairpin Lofts LLC, an Illinois limited liability company (the "Borrower") has applied to the Governmental Lender for a loan (the "Borrower Loan"), for the acquisition, construction, rehabilitation, development and equipping of a multifamily residential low and moderate income project containing 25 affordable units and three (3) unrestricted units located in Chicago, Cook County, Illinois, known or to be known as Hairpin Lofts Apartments (the "Project"); and

WHEREAS, the Borrower has requested the Governmental Lender to enter into that certain Funding Loan Agreement, of even date herewith (the "Funding Loan Agreement"), between the Governmental Lender and Citibank, N.A. (the "Funding Lender"), under which the Funding Lender will make a loan (the "Funding Loan") to the Governmental Lender, the proceeds of which will be loaned under this Borrower Loan Agreement to the Borrower to finance the acquisition, construction, rehabilitation, development and equipping of the Project; and;

WHEREAS, the Borrower's repayment obligations under this Borrower Loan Agreement are evidenced by the Borrower Note, as defined herein; and

WHEREAS, the Borrower Loan is secured by, among other things, that certain Multifamily Mortgage, Assignment of Rents and Security Agreement (as amended, restated and/or supplemented from time to time, the "Security Instrument"), dated as of the date hereof and assigned to the Funding Lender to secure the Funding Loan, encumbering the Mortgaged Property, and will be advanced to Borrower pursuant to this Borrower Loan Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Specific Definitions. For all purposes of this Borrower Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) Unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Security Instrument or, if not defined in the Security Instrument, in the Funding Loan Agreement.

(b) The definitions in the recitals to this instrument are for convenience only and shall not affect the construction of this instrument.

(c) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to "Approved Accounting Method" refer to such method as it exists at the date of the application thereof.

(d) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(e) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Borrower Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

Section 1.2 Definitions. The following terms, when used in this Borrower Loan Agreement (including when used in the above recitals), shall have the following meanings:

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after the commencement thereof.

"ADA" shall have the meaning set forth in Section 6.1.38.

"Additional Borrower Payments" shall mean the payments payable pursuant to Sections 2.5, 2.6 and 7.15 of this Borrower Loan Agreement.

"Affiliate" means: (i) any individual, partnership, limited liability company, corporation or other entity that owns, directly or indirectly, more than a ten percent (10%) equity ownership interest in Borrower, or that otherwise directly or indirectly controls Borrower, (ii) any family member of any individual described in clause (i), and any trust for the benefit of any such individual or any such family member, and (iii) any partnership, limited liability company, corporation or other entity in which any individual or entity described in clause (i) above, or any family member of any such individual or any trust for the benefit of any such individual or any such family member, owns, directly or indirectly, more than a ten percent (10%) equity ownership interest, or which is otherwise controlled, directly or indirectly, by any individual or entity described in clause (i) above, or by any family member of any such individual or by any trust for the benefit of any such individual or any such family member.

"Agreement of Environmental Indemnification" shall mean the Agreement of Environmental Indemnification, dated as of the date thereof, executed by the Borrower for the benefit of the Funding Lender and any lawful holder, owner or pledgee of the Borrower Note from time to time.

"Appraisal" shall mean an appraisal of the Mortgaged Property and Improvements, which appraisal shall be (i) performed by a qualified appraiser licensed in the State selected by Funding Lender, and (ii) satisfactory to Funding Lender (including, without limitation, as adjusted pursuant to any internal review thereof by Funding Lender) in all respects.

"Approved Accounting Method" shall mean generally accepted accounting principles applicable to entities organized as the Borrower in the United States of America as of the date of the applicable financial report, or such other modified accrual or cash basis system of accounting approved by the Funding Lender.

"Architect" shall mean any licensed architect, space planner or design professional that Borrower may engage from time to time, with the approval of Funding Lender, to design any portion of the Improvements, including the preparation of the Plans and Specifications.

"Architect's Agreement" means any agreement that Borrower and any Architect from time to time may execute pursuant to which Borrower engages such Architect to design any portion of the Improvements, including the preparation of the Plans and Specifications, as approved by Funding Lender.

"Authorized Borrower Representative" shall mean a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Governmental Lender, the Funding Lender and the Servicer and containing the specimen signature of such person and signed on behalf of the Borrower by its Borrower Controlling Entity which certificate may designate one or more alternates.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation.

"Bankruptcy Event" shall have the meaning given to that term in the Security Instrument.

"Bankruptcy Proceeding" shall have the meaning set forth in Section 6.1.8.

"Beneficiary Parties" shall mean, collectively, the Funding Lender and the Governmental Lender.

"Bond Counsel" shall mean, collectively, Thompson Coburn LLP and Charity Associates, P.C. or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Funding Lender having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

"Borrower" shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

"Borrower Controlling Entity" shall mean, if the Borrower is a partnership, any general partner or managing partner of the Borrower, or if the Borrower is a limited liability company, the manager or managing member of the Borrower, or if the Borrower is a not for profit corporation, the shareholders thereof.

"Borrower Deferred Equity" shall mean the Equity Contributions to be made by the Equity Investor to Borrower pursuant to the Partnership Agreement other than Borrower Initial Equity, in accordance with the following schedule:

Amount	Conditions
\$ _____	_____
\$ _____	_____
\$ _____	_____
\$ _____	_____
\$ _____	_____

"Borrower Initial Equity" shall mean an initial installment of the Equity Contributions made to Borrower by the Equity Investor in an amount of at least \$ _____ to be made on or prior to the Closing Date.

"Borrower Loan" shall mean the mortgage loan made by the Governmental Lender to the Borrower pursuant to this Borrower Loan Agreement, in the maximum principal amount of the Borrower Loan Amount, as evidenced by the Borrower Note.

"Borrower Loan Agreement" shall mean this Borrower Loan Agreement.

"Borrower Loan Agreement Default" shall mean any event of default set forth in Section 10.1 of this Borrower Loan Agreement. A Borrower Loan Agreement Default shall "exist" if a Borrower Loan Agreement Default shall have occurred and be continuing beyond any applicable cure period.

"Borrower Loan Amount" shall mean the maximum principal amount of \$ _____.

"Borrower Loan Documents" shall mean this Borrower Loan Agreement, the Borrower Note, the Security Instrument, the Construction Funding Agreement, the Exceptions to Non-Recourse Guaranty, the Agreement of Environmental Indemnification, the Completion Guaranty, the Replacement Reserve Agreement and all other documents or agreements evidencing or relating to the Borrower Loan.

"Borrower Loan Payment Date" shall mean (i) the date upon which regularly scheduled Borrower Loan Payments are due pursuant to the Borrower Note, or (ii) any other date on which the Borrower Note is prepaid or paid, whether at the scheduled maturity or upon the acceleration of the maturity thereof.

"Borrower Loan Payments" shall mean the monthly loan payments payable pursuant to the Borrower Note.

"Borrower Loan Proceeds" shall mean proceeds of the Borrower Loan, to be disbursed in accordance with the Construction Funding Agreement.

"Borrower Note" shall mean the Construction Note, provided that effective as of the Conversion Date, so long as the Conditions to Conversion have been satisfied, "Borrower Note" shall mean the Permanent Note.

"Borrower Payment Obligations" shall mean all payment obligations of the Borrower under the Borrower Loan Documents, including, but not limited to, the Borrower Loan Payments and the Additional Borrower Payments.

"Business Day" shall have the meaning given to that term in the Borrower Note.

"Calendar Month" shall mean each of the twelve (12) calendar months of the year.

"Casualty" has the meaning given that term in Section 9.2.

"CC&R's" shall mean any covenants, conditions, restrictions, maintenance agreements or reciprocal easement agreements affecting the Mortgaged Property or the Project.

"City" shall mean the City of Chicago, Illinois.

"Closing Date" shall mean the date of this Borrower Loan Agreement.

"Code" shall mean the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations ("Regulations") promulgated, and applicable official public guidance published, under the Code.

"Collateral" shall mean all collateral described in (i) this Borrower Loan Agreement (including, without limitation, all property in which Lender is granted a security interest pursuant to any provision of this Borrower Loan Agreement), (ii) the Security Instrument, or (iii) any other Security Document, including, without limitation, the Mortgaged Property, all of which collateral is pledged and assigned to Funding Lender under the Funding Loan Agreement to secure the Funding Loan.

"Commitment Fee" shall have the meaning set forth in the Commitment.

"Completion Date" shall mean [_____, 20__].

"Completion Guaranty" shall mean the Completion Guaranty, dated as of the date of this Borrower Loan Agreement, by Guarantor for the benefit of the Beneficiary Parties.

"Computation Date" shall have the meaning ascribed thereto in Section 1.148-3(e) of the Regulations.

"Condemnation" shall mean any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Project, whether direct or indirect.

"Condemnation Award" shall mean any compensation, award, damages or right of action, proceeds or payment distributed in connection with a Condemnation.

"Conditions to Conversion" shall mean the conditions set forth in Exhibit G to the Construction Funding Agreement.

"Construction Consultant" shall mean a third-party architect or engineer selected and retained by Funding Lender, at the cost and expense of Borrower, to monitor the progress of construction and/or rehabilitation of the Project and to inspect the Improvements to confirm compliance with this Borrower Loan Agreement.

"Construction Contract" shall mean any agreement that Borrower and any Contractor from time to time may execute pursuant to which Borrower engages the Contractor to construct any portion of the Improvements, as approved by Funding Lender.

"Construction Escrow Agreement" means that certain Construction Escrow Agreement dated as of _____ [___], 2010, among the Title Company, in its capacity as escrow agent, Governmental Lender, Funding Lender, Subordinate Lenders and Borrower, as such agreement may be amended, modified, supplemented and replaced from time to time.

"Construction Funding Agreement" means that certain Construction Funding Agreement, of even date herewith, between Funding Lender and Borrower.

"Construction Note" shall mean that certain promissory note dated as of the date hereof in the original maximum principal amount of the Borrower Loan Amount, made by Borrower and payable to Lender, as endorsed and assigned to Funding Lender, as it may be amended, supplemented or replaced from time to time.

"Continuing Disclosure Agreement" shall mean a Continuing Disclosure Agreement, if any, executed between the Borrower and the Dissemination Agent, pursuant to which the Borrower would agree to provide certain information with respect to the Project, the Borrower and the Funding Loan subsequent to the Closing Date, as amended, supplemented or restated from time to time.

"Contractor" shall mean any licensed general contractor or subcontractor that Borrower may directly engage from time to time, with the approval of Funding Lender, to construct and/or rehabilitate any portion of the Improvements.

"Contractual Obligation" shall mean, for any Person, any debt or equity security issued by that Person, and any indenture, mortgage, deed of trust, contract, undertaking, instrument or agreement (written or oral) to which such Person is a party or by which it is bound, or to which it or any of its assets is subject.

"Conversion" shall mean Funding Lender's determination that the Conditions to Conversion have been satisfied in accordance with the provisions of this Borrower Loan Agreement.

"Conversion Date" shall mean the date to be designated by Funding Lender pursuant to the Construction Funding Agreement, once the Conditions to Conversion have been satisfied, the determination of the Permanent Period Amount has been made and any loan balancing payments in accordance with Section 5.1 hereof have been made. The Conversion Date must occur no later than the Outside Conversion Date.

"Cost Breakdown" shall mean the schedule of costs for the Improvements set forth on Exhibit C attached to the Construction Funding Agreement as the same may be amended from time to time with Funding Lender's consent.

"Costs of Funding" shall mean the Governmental Lender's Closing Fee and the fees, costs, expenses and other charges incurred in connection with the funding of the Borrower Loan and the Funding Loan, the negotiation and preparation of this Borrower Loan Agreement and each of the other Borrower Loan Documents and Funding Loan Documents and shall include, but shall not be limited to, the following: (i) counsel fees (including but not limited to Bond Counsel, counsel to the Governmental Lender, Borrower's counsel, and Funding Lender's counsel); (ii) financial advisor fees incurred in connection with the closing of the Borrower Loan and the Funding Loan; (iii) certifying and authenticating agent fees and expenses related to funding of the Funding Loan; (iv) printing costs (for any preliminary and final offering materials relating to the Funding Loan); (v) any recording fees; (vi) any additional fees charged by the Governmental Lender; and (vii) costs incurred in connection with the required public notices generally and costs of the public hearing.

"Costs of Funding Deposit" shall mean the amount required to be deposited by the Borrower with the Title Company (or a separate escrow company, if applicable) to pay Costs of Funding in connection with the closing of the Borrower Loan and the Funding Loan on the Closing Date.

"Cost of Improvements" shall mean the costs for the Improvements, as set forth on the Cost Breakdown.

"County" shall mean Cook County, Illinois.

"Date of Disbursement" shall mean the date of a Disbursement.

"Day" or "Days" shall mean calendar days unless expressly stated to be Business Days.

"Debt" shall mean, as to any Person, any of such Person's liabilities, including all indebtedness (whether recourse and nonrecourse, short term and long term, direct and contingent), all committed and unfunded liabilities, and all unfunded liabilities, that would appear upon a balance sheet of such Person prepared in accordance with GAAP.

"Default" shall mean the occurrence of an event, which, under any Loan Document, would, but for the giving of notice or passage of time, or both, be an Event of Default under the applicable Loan Document or a Borrower Loan Agreement Default.

"Default Rate" shall mean a rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the default rate set forth in the Borrower Note, in each case compounded monthly (computed on the basis of actual days elapsed in a 365- (or 366-) day year), as applicable.

"Determination of Taxability" shall mean (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which the Funding Lender and the Borrower were afforded the opportunity to participate, (iii) a determination by any court of competent jurisdiction, (iv) the enactment of legislation or (v) receipt by the Funding Lender, at the request of the Governmental Lender, the Borrower or the Funding Lender, of an opinion of Bond Counsel, in each case to the effect that the interest on the Funding Loan is includable in gross income for federal income tax purposes of any holder or any former holder of all or a portion of the Funding Loan, other than a holder who is a "substantial user" of the facilities with respect to which the proceeds of the Funding Loan were used or a "related person" (as such terms are defined in Section 147(a) of the Code); provided, however, that no such Determination of Taxability under clause (i) or (iii) shall be deemed to have occurred if the Governmental Lender (at the sole expense of the Borrower) or the Borrower is contesting such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, (b) abandonment of such appeal by the Governmental Lender or the Borrower, as the case may be, or (c) one year from the date of initial determination.

"Developer Fee" shall mean the fees and/or compensation payable to [] pursuant to the [Development Services Agreement] dated as of the date hereof between Borrower and such developer in an amount not to exceed [\$], of which only \$ shall be paid prior to the Conversion Date, unless otherwise permitted by Funding Lender in its sole and absolute discretion.

"Disbursement" means a disbursement of Loan Proceeds and Other Borrower Moneys pursuant to this Borrower Loan Agreement.

"Dissemination Agent" shall mean any "Dissemination Agent" named in the Continuing Disclosure Agreement, if any.

"Engineer" shall mean any licensed civic, structural, mechanical, electrical, soils, environmental or other engineer that Borrower may engage from time to time, with the approval of Funding Lender, to perform any engineering services with respect to any portion of the Improvements.

"Engineer's Contract" shall mean any agreement that Borrower and any Engineer from time to time may execute pursuant to which Borrower engages such Engineer to perform any engineering services with respect to any portion of the Improvements, as approved by Funding Lender.

"Equipment" shall have the meaning given to the term "Personalty" in the Security Instrument.

"Equity Contributions" shall mean the equity to be contributed by the Equity Investor to Borrower, in accordance with and subject to the terms of the Partnership Agreement.

"Equity Investor" shall mean Investor Limited Partner.

"ERISA" shall mean the Employment Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated hereunder.

"ERISA Affiliate" shall mean all members of a controlled group of corporations and all trades and business (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under any or all of Section 414(b), (c), (m) or (o) of the Code.

"Event of Default" shall mean a Borrower Loan Agreement Default.

"Exceptions to Non-Recourse Guaranty" shall mean the Exceptions to Non-Recourse Guaranty, dated as of the date of this Borrower Loan Agreement, by Guarantor for the benefit of the Beneficiary Parties.

"Excess Revenues" shall have the meaning ascribed thereto in Section 2.2(e) hereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expenses of the Project" shall mean, for any period, the current expenses, paid or accrued, for the operation, maintenance and current repair of the Mortgaged Property, as calculated in accordance with GAAP, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, costs of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs and expenses properly designated as capital expenditures (e.g. repairs which would not be payable from amounts on deposit in a repair and replacement fund held pursuant to the Borrower Loan Documents), a management fee (however characterized) not to exceed [___%] of Gross Income, costs of billings and collections, costs of insurance, and costs of audits. Expenses of the Project shall not include any payments, however characterized, on account of any subordinate financing in respect of the Mortgaged Property or other indebtedness, allowance for depreciation, amortization or other non-cash items, gains and losses or prepaid expenses not customarily prepaid.

"Extended Outside Conversion Date" shall mean _____, 20__.

"Extension Fee" shall have the meaning ascribed thereto in the Construction Funding Agreement.

"Fair Market Value" shall mean the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of

Public Debt, or (iv) any commingled investment fund in which the Governmental Lender and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

"Fixed Rate" shall mean the annual rate of [] percent ([]%) from the Closing Date to the Conversion Date and the annual rate of [] percent []% from and after the Conversion Date.

"Funding Lender" shall mean Citibank, N.A., in its capacity as lender under the Funding Loan.

"Funding Loan" means the Borrower Loan in the original maximum principal amount of \$_____ made by Funding Lender to Governmental Lender under the Funding Loan Agreement, the proceeds of which are used by Governmental Lender to make the Borrower Loan.

"Funding Loan Agreement" means the Funding Loan Agreement, of even date herewith, between Governmental Lender and Funding Lender, as it may from time to time be supplemented, modified or amended by one or more amendments or other instruments supplemental thereto entered into pursuant to the applicable provisions thereof.

"Funding Loan Documents" shall mean the Funding Loan Agreement and all documents evidencing or securing the Funding Loan.

"Funding Note" shall mean that certain Promissory Note dated as of the date hereof in the original maximum principal amount of the Funding Loan Amount, made by Governmental Lender and payable to Funding Lender, as it may be amended, supplemented or replaced from time to time.

"Funding Requisition" shall, with respect to a proposed Disbursement, mean a Funding Requisition in substantially the form attached as Exhibit D to the Construction Funding Agreement.

"GAAP" shall mean generally accepted accounting principles as in effect on the date of this Borrower Loan Agreement and consistently applied throughout the periods covered by the applicable financial statements.

"General Partner" shall mean, collectively, (i) Managing Member, and/or (ii) any other Person that the members of Borrower, with the prior written approval of Funding Lender (or as otherwise permitted with Funding Lender's approval pursuant to the Borrower Loan Documents), selected to be a manager or managing member of Borrower.

"Governmental Authority" shall mean the United States of America, any state or territory of the United States or any court, board, agency, commission, political subdivision, office or authority of any nature whatsoever of the United States or any state or territory or any governmental unit (federal, state, county, district, municipal, city or otherwise) now or hereafter in existence.

"Governmental Lender" shall have the meaning set forth in the recitals to this Borrower Loan Agreement.

"Governmental Lender's Closing Fee" shall mean \$_____. The Governmental Lender's Closing Fee is payable to the Governmental Lender on the Closing Date pursuant to Section 2.3(c)(ii).

"Gross Income" shall mean all receipts, revenues, income and other moneys received or collected by or on behalf of Borrower and derived from the ownership or operation of the Mortgaged Property, if any, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence and proceeds received upon the foreclosure sale of the Mortgaged Property. Gross Income shall not include loan proceeds, equity or capital contributions, or tenant security deposits being held by Borrower in accordance with applicable law.

"Gross Proceeds" shall mean, without duplication, the aggregate of:

the net amount (after payment of all expenses of originating the Funding Loan) of Funding Loan proceeds received by the Governmental Lender as a result of the origination of the Funding Loan;

all amounts received by the Governmental Lender as a result of the investment of the Funding Loan proceeds;

any amounts held in any fund or account to the extent that the Governmental Lender reasonably expects to use the amounts in such fund to pay any portion of the Funding Loan; and

any securities or obligations pledged by the Governmental Lender or by the Borrower as security for the payment of any portion of the Funding Loan.

"Guarantor" shall mean _____ or any other person or entity which may hereafter become a guarantor of any of Borrower's obligations under the Borrower Loan.

"Guaranties" shall mean, collectively (i) the Exceptions to Non-Recourse Guaranty and (ii) the Completion Guaranty, each dated as of the date hereof, given by Guarantor to and for the benefit of Beneficiary Parties.

"Improvements" shall mean the 28-unit multifamily residential project (containing 25 affordable units and three unrestricted units) known or to be known as Hairpin Lofts, and all other buildings, structures, fixtures, wiring, systems, equipment and other improvements and personal property to be acquired, constructed, rehabilitated, developed and/or equipped in accordance with the Cost Breakdown and the Plans and Specifications.

"Indemnified Party" shall have the meaning set forth in Section 7.16.

"Installment Computation Date" shall mean any Computation Date other than the first Computation Date or the final Computation Date.

"Insurance Proceeds" shall mean all proceeds payable under all insurance policies relating to the Mortgaged Property.

"Interest Rate" shall mean the rate of interest accruing on the Borrower Loan pursuant to the Borrower Note; provided that, following a Borrower Loan Agreement Default, the Interest Rate shall equal the Default Rate. In addition, the Interest Rate shall include any interest payable under the Borrower Note in excess of interest at the foregoing rate. At no time may the Interest Rate exceed the Maximum Rate.

"Interim Phase Amount" shall mean \$[_____].

"Investor Limited Partner" shall mean [INVESTOR LIMITED PARTNER], a[n] [JURISDICTION] [ENTITY TYPE], as a non-managing member of the Borrower, and its permitted successors and assigns.

"Land" means the real property described in the Security Instrument.

"Late Charge" shall mean the amount due and payable as a late charge on overdue payments under the Borrower Note, as provided in Section 7 of the Borrower Note and Section 2.6 of this Borrower Loan Agreement.

"Legal Action" shall mean an action, suit, investigation, inquiry, proceeding or arbitration at law or in equity or before or by any foreign or domestic court, arbitrator or other Governmental Authority.

"Legal Requirements" shall mean statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting all or part of the Project or any property or the construction, rehabilitation, use, alteration or operation thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instrument, either of record or known to the Borrower, at any time in force affecting all or part of the Project, including any that may (i) require repairs, modifications or alterations in or to all or part of the Project, or (ii) in any way limit the use and enjoyment thereof.

"Liabilities" shall have the meaning set forth in Section 7.16.

"Licenses" shall have the meaning set forth in Section 6.1.22.

"Lien" shall mean any interest, or claim thereof, in the Project securing an obligation owed to, or a claim by, any Person other than the owner of the Project, whether such interest is based on common law, statute or contract, including the lien or security interest arising from a deed of trust, mortgage, deed to secure debt, assignment, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting the Project.

"Management Agreement" shall mean the Management Agreement between the Borrower and the Manager, pursuant to which the Manager is to manage the Project, as same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Manager" shall mean the management company to be employed by the Borrower and approved by the Funding Lender in accordance with the terms of the Security Instrument, this

Borrower Loan Agreement or any of the other Borrower Loan Documents or the Funding Loan Documents.

"Maximum Rate" shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Borrower Loan under State law.

"Mortgaged Property" shall have the meaning ascribed as such term in the Security Instrument.

"Net Operating Income" shall mean: (i) the Gross Income, less (ii) the Expenses of the Project.

"Nonpurpose Investment" shall mean any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds of the Funding Loan and which is not acquired to carry out the governmental purpose of the Funding Loan.

"Ongoing Fee" shall mean the annual fee of the Governmental Lender in the amount of 0.15% of the outstanding amount of the Funding Loan accruing monthly and payable semiannually in advance to the Governmental Lender by Borrower on each _____ and _____, commencing on [_____] [with a payment of all accrued but unpaid fees due on the Conversion Date] so long as any portion of the Borrower Loan is outstanding.

"Other Borrower Moneys" shall mean monies of Borrower other than Loan Proceeds and includes, but is not limited to, Borrower's Equity Contributions, Subordinate Debt and any other equity contributed by Borrower to the Project.

"Other Charges" shall mean all maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Project, now or hereafter levied or assessed or imposed against the Project or any part thereof.

"Outside Conversion Date" shall mean [__ months from Closing], as the same may be extended in accordance with the Construction Funding Agreement.

"Partnership Agreement" shall mean that certain [Amended and Restated Operating Agreement of the Borrower dated as of _____, 20__], as the same may be amended, restated or modified in accordance with its terms.

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

"Payment Obligations" shall mean all obligations of Borrower for the payment of money to Funding Lender or to any other person under this Borrower Loan Agreement or under any other Loan Document.

"Permanent Note" shall mean the promissory note in the form attached to this Borrower Loan Agreement as Exhibit A and incorporated herein, to be executed by the Borrower and endorsed and assigned by Funding Lender by Governmental Lender and delivered to Funding Lender in escrow pursuant to the escrow agreement in the form attached as Exhibit I to the Construction Funding Agreement. On or prior to the Conversion Date as one of the conditions

precedent to the satisfaction of the Conditions to Conversion, the Permanent Note shall be delivered from escrow to Funding Lender to be effective as of the Conversion Date and the Construction Note shall be returned to Borrower marked "Satisfied", provided the Conditions to Conversion have been satisfied.

"Permanent Period" shall mean the period of time from the Conversion Date to the Maturity Date (as defined in the Permanent Note) of the Permanent Note.

"Permanent Period Amount" shall mean the principal amount of the Borrower Loan following the calculation provided for in Exhibit H attached to the Construction Funding Agreement.

"Permitted Lease" shall mean a lease and occupancy agreement pursuant to the form approved by Funding Lender, to a residential tenant in compliance with the Legal Requirements, providing for an initial term of not less than six (6) months nor more than two (2) years.

"Permitted Liens" shall mean the liens and encumbrances identified and defined as "Permitted Encumbrances" in the Security Instrument.

"Person" shall mean a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

"Plan" shall mean (i) an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions and (ii) which is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

"Plans and Specifications" shall mean the plans and specifications for the construction and/or rehabilitation, as the case may be, of the Mortgaged Property approved by Funding Lender.

"Prepayment Premium" shall mean any premium payable by the Borrower pursuant to the Borrower Loan Documents in connection with a prepayment of the Borrower Note (including any prepayment premium as set forth in the Borrower Note).

"Project" shall mean, collectively, the Improvements and the land associated with the Improvements.

"Project Agreements and Licenses" shall mean any and all Construction Contracts, Engineer's Contracts and Management Agreements, and all other rights, licenses, permits, franchises, authorizations, approvals and agreements relating to use, occupancy, operation or leasing of the Project.

"Provided Information" shall have the meaning set forth in Section 11.1.1 (a).

"Qualified Project Costs" shall mean costs paid with respect to the Project that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general federal income tax principles and in accordance with Section 1.103-8(a)(1) of the Regulations, provided, however, that only such

portion of the interest accrued during rehabilitation or construction of the Project (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the acquisition and construction or rehabilitation of the Project; and provided further that interest accruing after the date of completion of the Project shall not be a Qualified Project Cost; and provided still further that if any portion of the Project is being constructed or rehabilitated by an Affiliate (whether as general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such affiliate in constructing or rehabilitating the Project (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by such affiliate, and (C) any overhead expenses incurred by such affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an "affiliated group" (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Project or payments received by such affiliate due to early completion of the Project (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to December 2, 2009, being the date on which the Governmental Lender first declared its "official intent" to reimburse costs paid with respect to the Project (within the meaning of Section 1.150-2 of the Regulations) or the date of issue of the Funding Loan, and (iv) if the costs of the acquisition and construction or rehabilitation of the Project were previously paid and are to be reimbursed with proceeds of the Funding Loan such costs were (A) "preliminary expenditures" (within the meaning of Section 1.150-2(f)(2) of the Regulations) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition and construction or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Funding Loan (as defined in Section 1.148-1 of the Regulations), or (C) were capital expenditures with respect to the Project that are reimbursed no later than 18 months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three years after the expenditures is paid); provided, however, that (w) Costs of Issuance shall not be deemed to be Qualified Project Costs; (x) fees, charges or profits (including, without limitation, developer fees) payable to the Borrower or a "related person" (within the meaning of Section 144(a)(3) of the Code) shall not be deemed to be Qualified Project Costs; (y) letter of credit fees and municipal bond insurance premiums which represent a transfer of credit risk shall be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Funding Loan; and (z) letter of credit fees and municipal bond insurance premiums which do not represent a transfer of credit risk (including, without limitation, letter of credit fees payable to a "related person" to the Borrower) shall not constitute Qualified Project Costs.

"Rating Agency" shall mean any one and each of Standard & Poor's, Moody's and Fitch Ratings then rating the Securities or any other nationally-recognized statistical rating agency then rating the Securities, which has been approved by the Governmental Lender.

"Rebate Amount" shall mean, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Funding Loan.

"Rebate Analyst" shall mean the rebate analyst selected by the Borrower and acceptable to the Governmental Lender. The initial Rebate Analyst shall be Eichner & Norris PLLC, Washington, D.C.

"Rebate Analyst's Fee" shall mean the annual fee of the Rebate Analyst in the amount of \$____. The Rebate Analyst's Fee is payable by the Borrower to the Rebate Analyst, commencing [_____, 20__], every fifth anniversary thereof, and the Maturity Date.

"Rebate Fund" shall mean the Rebate Fund created pursuant to Section 7.24 hereof.

"Related Documents" shall mean, collectively, any agreement or other document (other than the Borrower Loan Documents) granting a security interest (including each agreement that is the subject of any Loan Document), the Partnership Agreement and any other agreement, instrument or other document (not constituting a Loan Document) relating to or executed in connection with the transactions contemplated by this Borrower Loan Agreement.

"Rents" shall have the meaning given that term in the Security Instrument.

"Replacement Reserve Agreement" shall mean any Replacement Reserve Agreement between the Borrower and the Funding Lender, as the same may be amended, restated or supplemented from time to time.

"Replacement Reserve Fund Requirement" means Borrower's funding obligations from time to time under the Replacement Reserve Agreement.

"Required Equity Funds" means deposits in the amounts of \$_____ and \$_____ to be made by or on behalf of the Borrower to the Funding Lender or Title Company pursuant to the Construction Escrow Agreement, which additional deposits represent portions of capital contributions pursuant to, and are subject to adjustment and delivery from time to time as provided in, the Borrower's Partnership Agreement.

"Secondary Market Disclosure Document" shall have the meaning set forth in Section 11.1.2.

"Secondary Market Transaction" shall have the meaning set forth in Section 11.1.1.

"Securities" shall have the meaning set forth in Section 11.1.1.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security" shall have the meaning set forth in Article IV of the Funding Loan Agreement.

"Security Documents" shall mean the Security Instrument, the Replacement Reserve Agreement, the Collateral Assignments, this Borrower Loan Agreement, the Environmental Agreement, and such other security instruments that Funding Lender may reasonably request.

"Security Instrument" shall mean the Multifamily Mortgage, Assignment of Rents, and Security Agreement dated as of _____, 20__, executed by the Borrower and granting a first lien on the Project for the benefit of the Governmental Lender and assigned to the Funding Lender, including any amendments and supplements thereto as herein permitted.

"Seller" means Lester and Rosalie Anixter Center.

"Servicer" shall mean the Servicer contracting with or appointed by the Funding Lender to service the Borrower Loan; provided, however, that whenever the term "Servicer" is referred

to herein as performing or taking any action, it shall mean Servicer as agent of the Funding Lender for such purpose, and Funding Lender shall remain ultimately responsible for the performance of any actions by the Servicer.

"Servicer's Fee" shall mean the fee due to the Servicer for services rendered pursuant to the Borrower Loan Documents and the Servicing Agreement in an amount equal to one twelfth of 0.____% of outstanding principal amount of the Borrower Loan payable monthly in arrears.

"Servicing Agreement" shall mean any servicing agreement or master servicing agreement, between the Servicer and the Funding Lender relating to the servicing of the Borrower Loan and any amendments thereto or any replacement thereof.

"Sponsor" means Brinshore 2800 Corp., an Illinois corporation.

"Subordinate Debt" shall mean the [(i) loan from Sponsor of \$_____ to Borrower pursuant to funds received by Sponsor from the TIF RDA, (ii) loan from Seller of \$_____ received from the sale of State of Illinois Donation Tax Credits ("Donation Tax Credit Loan"), and (iii) loan of \$_____ from Seller].

"Subordinate Lenders" shall mean, collectively, the Sponsor and the Seller, as lenders of the Subordinate Debt.

"State" shall mean the State of Illinois.

"Taxes" shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against all or part of the Project.

"TIF Funds" shall mean funds derived from the TIF RDA.

"TIF RDA" shall mean that certain Hairpin Lofts Apartment Redevelopment Agreement of even date herewith between Governmental Lender, Sponsor and Borrower.

"Title Company" means [_____].

"Title Insurance Policy" shall mean the mortgagee title insurance policy, in form acceptable to the Funding Lender, issued with respect to the Project and insuring the lien of the Security Instrument.

"Term" shall mean the term of this Borrower Loan Agreement pursuant to Section 12.24.

"Transfer" shall have the meaning given to that term in the Security Instrument.

"UCC" shall mean the Uniform Commercial Code as in effect in the State.

"Underwriting Rate" shall mean [_____] % per annum.

"Unit" shall mean a residential apartment unit within the Improvements.

"Written Consent" and "Written Notice" shall mean a written consent or notice signed by an Authorized Borrower Representative or an authorized representative of the Governmental Lender or the Funding Lender, as appropriate.

Section 1.3 Principles of Construction.

(a) Unless otherwise specified, (i) all references to sections and schedules are to those in this Borrower Loan Agreement, (ii) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Borrower Loan Agreement as a whole and not to any particular provision, (iii) all definitions are equally applicable to the singular and plural forms of the terms defined, (iv) the word "including" means "including but not limited to," and (v) accounting terms not specifically defined herein shall be construed in accordance with the Approved Accounting Method.

(b) Nothing contained herein shall negate, amend, modify or affect in any way the covenants, agreements, representations, obligations or liabilities of Borrower under the TIF RDA nor the rights and remedies of Governmental Lender under the TIF RDA, all of which covenants, agreements, representations, obligations, liabilities and rights and remedies remain in full force and effect.

ARTICLE II

GENERAL

Section 2.1 Origination of Funding Loan. In order to provide funds for the purposes provided herein, the Governmental Lender agrees that it will, in accordance with the Act, enter into the Funding Loan Agreement and accept the Funding Loan from the Funding Lender. The proceeds of the Funding Loan shall be advanced by the Funding Lender to the Borrower in accordance with Article III hereof for the account of the Governmental Lender.

The Governmental Lender hereby appoints the Funding Lender as its agent with full authority and power to act on its behalf to disburse the Borrower Loan for the account of the Governmental Lender, to take certain actions and exercise certain remedies with respect to the Borrower Loan, and for the other purposes set forth in this Borrower Loan Agreement and to do all other acts necessary or incidental to the performance and execution thereof. This appointment is coupled with an interest and is irrevocable except as expressly set forth herein. Accordingly, references to the rights of Funding Lender to take actions under this Borrower Loan Agreement shall refer to Funding Lender in its role as agent of Governmental Lender. The Funding Lender may designate Servicer to fulfill the rights and responsibilities granted by Government Lender to Funding Lender pursuant to this Section 2.1; provided, however, that such designation shall not release or absolve Funding Lender from ultimate responsibility for fulfillment of such rights or responsibilities.

Section 2.2 Security for the Funding Loan.

(a) As security for the Funding Loan, the Governmental Lender has pledged and assigned the Security to the Funding Lender under and pursuant to the Funding Loan Agreement. All revenues and assets pledged and assigned thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or any further act, except in the case of the Borrower Note, which shall be delivered to the Funding Lender. The Borrower hereby acknowledges and consents to such assignment to the Funding Lender.

(b) With respect to the Unassigned Rights, subject to the limitations set forth in this Section, the Governmental Lender may:

(i) Tax Covenants. Seek specific performance of, and enforce, the tax covenants of the Funding Loan Agreement, and the Funding Loan Documents, injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay amounts for credit to the Rebate Fund;

(ii) Reserved Rights. Take whatever action at law or in equity which appears necessary or desirable to enforce the other Unassigned Rights.

(c) The Governmental Lender shall provide written notice to the Funding Lender and the Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Borrower Loan Documents or the Funding Loan Documents.

(d) As used in this Section, the term "Excess Revenues" means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Borrower Loan or the Funding Loan, the payment of all operating, overhead, ownership and other expenditures of the Borrower directly or indirectly in connection with the Project (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

Section 2.3 Loan; Borrower Note; Conditions to Closing.

(a) The Funding Loan shall be funded directly to the Borrower by the Funding Lender through the Construction Escrow Agreement in one or more installments not to exceed the Borrower Loan Amount in accordance with the disbursement procedures of Article III hereof. Upon funding of each installment of the Funding Loan, the Governmental Lender shall be deemed to have made the Borrower Loan to the Borrower in a like principal amount. The Borrower Loan shall mature and be payable at the times and in the amounts required under the terms hereof and of the Borrower Note. The proceeds of the Borrower Loan shall be used by the Borrower to pay costs of the acquisition, construction, rehabilitation, development and equipping of the Project. The Borrower hereby accepts the Borrower Loan and acknowledges that the Governmental Lender shall cause the Funding Lender to fund the Borrower Loan in the manner set forth herein. The Governmental Lender acknowledges that the Borrower Loan shall be funded by the Funding Lender for the account of the Governmental Lender. Borrower shall execute and deliver the Construction Note in the form attached hereto as Exhibit B.

(b) As evidence of its obligation to repay the Borrower Loan, simultaneously with the delivery of this Borrower Loan Agreement to the Governmental Lender, the Borrower hereby agrees to execute and deliver the Construction Note. On or prior to the Conversion Date, in accordance with the terms of this Borrower Loan Agreement, Borrower hereby agrees to execute and deliver the Permanent Note. The Borrower Note shall bear interest on the unpaid balance thereof at the applicable Interest Rate, calculated on the basis of a 360 day year comprised of twelve 30 day months, or a year of 365 or 366 days (as set forth in the Borrower Note), for the actual number of days elapsed, as provided therein. The Governmental Lender shall assign the Construction Note to the Funding Lender on the Closing Date as a condition to

closing of the Borrower Loan and the Funding Loan and shall assign the Permanent Note to the Funding Lender on or prior to the Conversion Date as a condition to Conversion.

(c) Closing of the Borrower Loan on the Closing Date shall be conditioned upon satisfaction or waiver by the Funding Lender in its sole discretion of each of the conditions precedent to closing set forth in this Borrower Loan Agreement, including but not limited to the following:

(i) evidence of proper recordation of (A) the Security Instrument, (B) an assignment of the Security Instrument from the Governmental Lender to the Funding Lender, and (C) the Regulatory Agreement, and each of the other documents specified for recording in instructions delivered to the Title Company by counsel to the Funding Lender (or that such documents have been delivered to an authorized agent of the Title Company for recordation under binding recording instructions from Funding Lender's counsel or such other counsel as may be acceptable to the Funding Lender); and

(ii) delivery into escrow with the Title Company of all amounts required to be paid in connection with the origination of the Borrower Loan and the Funding Loan and any underlying real estate transfers or transactions, including the Costs of Funding Deposit, the Required Equity Funds, all as specified in written instructions delivered to the Title Company by counsel to the Funding Lender (or such other counsel as may be acceptable to the Funding Lender) [and/or as specified in a closing memorandum of the Funding Lender.]

Section 2.4 Borrower Loan Payments.

(a) The Borrower shall make Borrower Loan Payments in accordance with the Borrower Note. Each Loan Payment made by the Borrower shall be made in funds immediately available to the Funding Lender or the Servicer by 11:00 a.m., Chicago time, on the Borrower Loan Payment Date. Each such payment shall be made to the Funding Lender or the Servicer by deposit to such account as the Governmental Lender or Servicer, as applicable, may designate by Written Notice to the Borrower. Whenever any Loan Payment shall be stated to be due on a day that is not a Business Day, such payment shall be due on the first Business Day immediately thereafter. In addition, the Borrower shall make Borrower Loan Payments in accordance with the Borrower Note in the amounts and at the times necessary to make all payments due and payable on the Funding Loan. All payments made by the Borrower hereunder or by the Borrower under the other Borrower Loan Documents, shall be made irrespective of, and without any deduction for, any set-offs or counterclaims, but such payment shall not constitute a waiver of any such set offs or counterclaims.

(b) Unless there is no Servicer, payments of principal and interest on the Borrower Note and all amounts due under the Borrower Loan Documents shall be paid to the Servicer. If there is no Servicer, payments of principal and interest on the Borrower Note shall be paid directly to Funding Lender.

Section 2.5 Additional Borrower Payments.

(a) The Borrower shall pay on demand the following amounts:

(i) to the Funding Lender, [the Rebate Amount] then due, if any, to be deposited in the Rebate Fund as specified in Section 7.24 hereof and the costs incurred to

calculate such Rebate Amount (to the extent such costs are not included in the Borrower Loan Payment);

(ii) to the Governmental Lender; the Ongoing Fee and all fees, charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Governmental Lender incurred under the Borrower Loan Documents or the Funding Loan Documents, as and when the same become due;

(iii) to the Servicer, the Servicer's Fee;

(iv) all Costs of Funding and fees, charges and expenses, including agent and counsel fees incurred in connection with the origination of the Borrower Loan and the Funding Loan, as and when the same become due;

(v) to the Funding Lender, all charges, costs, advances, indemnities and expenses, including agent and counsel fees, of the Funding Lender incurred by the Funding Lender at any time in connection with the Borrower Loan, the Funding Loan or the Project, including, without limitation, reasonable counsel fees and expenses incurred in connection with the interpretation, performance, or amendment and all counsel fees and expenses relating to the enforcement of the Borrower Loan Documents or the Funding Loan Documents or any other documents relating to the Project or the Borrower Loan or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit; and

(vi) to the Servicer, all late charges due and payable under the terms of the Borrower Note and Section 2.4 herein; provided, however, that all payments made pursuant to this Section 2.5(a) shall be made to the Servicer, if there is no Servicer, such payments shall be made to the Funding Lender.

(b) The Borrower shall pay to the party entitled thereto as expressly set forth in this Borrower Loan Agreement or the other Borrower Loan Documents or Funding Loan Documents:

(i) all expenses incurred in connection with the enforcement of any rights under this Borrower Loan Agreement or any other Loan Document, or any Funding Loan Document by the Governmental Lender, Funding Lender or the Servicer;

(ii) all other payments of whatever nature that the Borrower has agreed to pay or assume under the provisions of this Borrower Loan Agreement or any other Loan Document or Funding Loan Document; and

(iii) all expenses, costs and fees relating to inspections of the Project required by the Governmental Lender, the Funding Lender, the Servicer (including the Servicer's Fee) or the Construction Consultant, in accordance with the Borrower Loan Documents or the Funding Loan Documents or to reimburse such parties for such expenses, costs and fees.

Section 2.6 Overdue Payments: Payments if Default. If any Borrower Payment Obligation is not paid by or on behalf of the Borrower when due, the Borrower shall pay to the Servicer, a Late Charge in the amount and to the extent set forth in the Borrower Note, if any. Any such Late Charge shall not be deemed to be additional interest or a penalty, but shall be deemed to be liquidated damages because of the difficulty in computing the actual amount of damages in advance. Late Charges shall be secured by the applicable Borrower Loan Documents. Any action regarding the collection of a Late Charge will be without prejudice to

any other rights, nor act as a waiver of any other rights, that the Servicer or the Governmental Lender may have as provided herein, at law or in equity.

Section 2.7 Obligations of the Borrower Absolute and Unconditional.

(a) Subject to Section 13.1, the obligations of the Borrower under this Borrower Loan Agreement and the Borrower Note to make Borrower Loan Payments and Additional Borrower Payments on or before the date the same become due, and to perform all of its other obligations, covenants and agreements hereunder shall be primary, absolute, unconditional and irrevocable, and shall be paid or performed strictly in accordance with the terms of this Borrower Loan Agreement under any and all circumstances, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the Borrower's title to the Project or to any part thereof is defective or nonexistent, and notwithstanding any damage due to loss, theft or destruction of the Project or any part thereof, any failure of consideration or frustration of commercial purpose, the taking by eminent domain of title to or of the right of temporary use of all or any part of the Project, legal curtailment of the Borrower's use thereof, the eviction or constructive eviction of the Borrower, any change in the tax or other laws of the United States of America, the State or any political subdivision thereof, any change in the Governmental Lender's legal organization or status, or any default of the Governmental Lender hereunder or under any other Loan Document, and regardless of the invalidity of any action of the Governmental Lender or the invalidity of any portion of this Borrower Loan Agreement. Provided further, the obligations of Borrower under this Borrower Loan Agreement shall not be subject to and shall be performed, and shall not be affected by:

(i) any lack of validity or enforceability of any Loan Document or any Funding Loan Document or any of the Related Documents;

(ii) any amendment of, or any waiver or consent with respect to, any of the Borrower Loan Documents, the Funding Loan Documents or the Related Documents;

(iii) the existence of any claim, set-off, defense or other rights which Borrower, General Partner or Guarantor may have at any time against Governmental Lender or Funding Lender (other than the defense of payment in accordance with the terms of this Borrower Loan Agreement) or any other Person, whether in connection with this Borrower Loan Agreement or any other Borrower Loan Document, the Funding Loan Documents, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(iv) any breach of contract or other dispute among Borrower, General Partner or Guarantor, and Governmental Lender or Funding Lender;

(v) any Funding Requisition or any document presented in connection therewith, proving to be forged, fraudulent, untrue, inaccurate, invalid or insufficient in any respect (except in the event of gross negligence or willful misconduct by Governmental Lender or Funding Lender with respect to same); or

(vi) any exchange, release or nonperfection of any lien or security interest in any collateral pledged or otherwise provided to secure any of the obligations contemplated herein, in any other Loan Document, any Funding Loan Document or in any Related Document.

(b) The Borrower hereby waives the application to it of the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Borrower Loan Agreement or which releases or purports to release the Borrower therefrom. Nothing contained herein shall be construed as prohibiting the Borrower from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

(c) The Borrower may, however, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons that the Borrower deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder.

Section 2.8 Optional Prepayment of Borrower Note. The Borrower shall have the right to prepay the Borrower Note only if, to the extent and in the manner set forth therein, exercisable by Written Notice to the Governmental Lender and the Funding Lender as required by the Borrower Note, for the purpose of retiring the Funding Loan in accordance with Section 3.1 of the Funding Loan Agreement in accordance with its terms.

In connection with any such proposed prepayment, the Borrower shall deposit immediately available funds with the Funding Lender by 11:00 a.m., Chicago time, on the date of prepayment at a prepayment price equal to the outstanding principal balance of the Borrower Note, plus interest on the Borrower Note to the date of prepayment and the amount of any Prepayment Premium payable under the Borrower Note, plus any Additional Borrower Payments due and payable hereunder through the date of prepayment. Such amounts shall be applied to the retirement in full of the Funding Loan and payment of all amounts due hereunder. The Borrower shall deliver such certifications and shall satisfy such conditions as set forth in Section 3.1 of the Funding Loan Agreement with respect to the prepayment in full of the Funding Loan.

Section 2.9 Mandatory Prepayment of Borrower Note. The Borrower shall prepay the outstanding principal balance of the Borrower Note at the direction of the Funding Lender, and notice to the Governmental Lender, in whole or in part, at a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or this Borrower Loan Agreement, for the purpose of retiring the Funding Loan as provided in Section 3.1 of the Funding Loan Agreement, upon the occurrence of any event or condition described below:

(a) in whole or in part, if the Project shall have been damaged or destroyed to the extent that it is not feasible to rebuild, repair or restore the damaged or destroyed property within the period and under the conditions described in the Security Instrument following such event of damage or destruction; or

(b) in whole or in part, if title to, or the use of, all or a portion of the Project shall have been taken under the exercise of the power of eminent domain by any Governmental Authority which results in a prepayment of the Borrower Note under the conditions described in the Security Instrument; or

(c) in whole or in part, to the extent that Insurance Proceeds or proceeds of any Condemnation Award with respect to the Project are not applied to restoration of the Project in accordance with the provisions of the Security Instrument; or

(d) in whole but not in part at the a prepayment price equal to the outstanding principal balance of the Borrower Note prepaid, plus accrued interest plus any other amounts payable under the Borrower Note or this Borrower Loan Agreement through the date of prepayment, upon the written direction of the Funding Lender no later than the day before (a) any sale of the Project, restructuring of the Borrower or any other event that would cause or be deemed to cause an assumption of obligations of an unrelated party for purposes of Section 1.150 1(d)(2) of the Regulations (any such event referred to herein as a "Transfer") which Transfer would occur within six months of a "refinancing" (as contemplated by such Regulation), or (b) any "refinancing" that would occur within six months of a Transfer; or

(e) as otherwise provided in the Borrower Note, this Borrower Loan Agreement or the Security Instrument.

Such prepayment shall be due and payable by no later than 11:00 a.m., Chicago time, on the date fixed by the Funding Lender, which date shall be communicated by the Funding Lender in writing to the Borrower. To the extent that the Borrower receives any Insurance Proceeds or Condemnation Awards that are to be applied to the prepayment of the Borrower Note, such amounts shall be applied to the prepayment of the Borrower Note and to the corresponding retirement of the Funding Loan.

Section 2.10 Calculation of Interest Payments and Deposits to Real Estate Related Reserve Funds. The Borrower acknowledges as follows: (a) calculation of all interest payments shall be made by the Funding Lender; (b) deposits with respect to the Taxes and Other Charges shall be calculated by the Servicer or if there is no Servicer, the Funding Lender, in accordance with the Security Instrument; and (c) deposits with respect to any replacement reserve funds required by the Funding Lender shall be calculated by the Servicer in accordance with the Replacement Reserve Agreement. In the event and to the extent that the Servicer or, if there is no Servicer, by the Funding Lender, pursuant to the terms hereof, shall determine at any time that there exists a deficiency in amounts previously owed but not paid with respect to deposits to such replacement reserve fund, such deficiency shall be immediately due and payable hereunder following written notice to the Borrower.

Section 2.11 Grant of Security Interest; Application of Funds. To the extent not inconsistent with the Security Instrument and as security for payment of the Borrower Payment Obligations and the performance by the Borrower of all other terms, conditions and provisions of the Borrower Loan Documents, the Borrower hereby pledges and assigns to the Funding Lender, and grants to the Funding Lender, a security interest in, all the Borrower's right, title and interest in and to all Rents and all payments to or moneys held in the funds and accounts created and held by the Funding Lender or the Servicer for the Project. The Borrower also grants to the Funding Lender a continuing security interest in, and agrees to hold for the benefit of the Funding Lender, all Rents in its possession prior to the payment of the next period's Rents. The Borrower shall not, without obtaining the prior Written Consent of the Funding Lender, further pledge, assign or grant any security interest in the Rents, or permit any Lien to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming the Funding Lender as the secured party, to be filed with respect thereto and those naming the Subordinate Lenders, in all events subordinate to the Funding Lender's lien. This Borrower Loan Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of a Borrower Loan Agreement Default hereunder, the Funding Lender and the Servicer shall apply or cause to be applied any sums held by the Funding Lender and the Servicer with respect to

the Project in any manner and in any order determined by Funding Lender, in accordance with Section 9.4 of the Funding Loan Agreement.

Section 2.12 Payments Set Aside. To the extent that Borrower makes a payment or payments or transfers any assets to the Governmental Lender or Funding Lender, or the Governmental Lender or Funding Lender enforces its liens, and such payment or payments or transfers, or the proceeds of such enforcement or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party in connection with any insolvency proceeding, or otherwise, then: (i) any and all obligations owed to the Governmental Lender or Funding Lender and any and all remedies available to the Governmental Lender or Funding Lender under the terms of the Borrower Loan Documents and the Funding Loan Documents or in law or equity against Borrower, Guarantor or General Partner and/or any of their properties shall be automatically revived and reinstated to the extent (and only to the extent) of any recovery permitted under clause (ii) below; and (ii) the Governmental Lender and Funding Lender shall be entitled to recover (and shall be entitled to file a proof of claim to obtain such recovery in any applicable bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding) either: (x) the amount of payments or the value of the transfer or (y) if the transfer has been undone and the assets returned in whole or in part, the value of the consideration paid to or received by Borrower for the initial asset transfer, plus in each case any deferred interest from the date of the disbursement to the date of distribution to the Governmental Lender in any bankruptcy, insolvency, receivership or fraudulent conveyance or fraudulent transfer proceeding, and any costs and expenses due and owing, including, without limitation, any reasonable attorneys' fees incurred by the Governmental Lender or Funding Lender in connection with the exercise by the Governmental Lender or Funding Lender of its rights under this Section 2.12.

ARTICLE III

RESERVED

ARTICLE IV

RESERVED

ARTICLE V

CONVERSION; PREPAYMENT; RELEASE OF BORROWER LOAN PROCEEDS

Section 5.1 Conversion. Borrower shall cause each of the Conditions to Conversion to occur and cause the Conversion Date to occur on or before the Outside Conversion Date, as it may be extended to the Extended Outside Conversion Date pursuant to the Construction Funding Agreement. The Permanent Period Amount shall be determined pursuant to Exhibit F to the Construction Funding Agreement, but shall not exceed \$_____. The Permanent Note shall be executed, held and ultimately released pursuant to the escrow agreement attached as Exhibit I to the Construction Funding Agreement. In addition, the principal amount of Borrower Note shall never exceed the Interim Phase Amount.

Section 5.2 Mandatory Prepayment of the Borrower Loan.

(a) If and to the extent the Permanent Period Amount is less than the Interim Phase Amount, Funding Lender may in its sole discretion require Borrower to make a partial prepayment of the Borrower Loan in an amount equal to the difference between the Interim Phase Amount and the Permanent Period Amount (a "Pre-Conversion Loan Equalization Payment"), provided, however, that if the Permanent Period Amount is less than the Minimum Permanent Period Amount, then Funding Lender may in its sole discretion require Borrower to prepay the Borrower Loan in full. On or before the Conversion Date, Funding Lender shall deliver written notice to Borrower of any prepayment of the Borrower Loan required hereunder, which prepayment shall be made by Borrower to Funding Lender or Servicer (as instructed by Funding Lender) on or before the later of (i) the Conversion Date or (ii) thirty (30) days from the date of Funding Lender's written notice of such mandatory prepayment.

(b) In the event Funding Lender requires a partial prepayment of the Borrower Loan pursuant to Section 5.1(a), Borrower must demonstrate to Funding Lender's satisfaction, at least fifteen (15) days prior to the date such prepayment is required to be made, that Borrower has secured a source of funds acceptable to Funding Lender, which source of funds must be in the form of additional equity or subordinate debt and in an amount sufficient to cover the difference between the Interim Phase Amount and the Permanent Period Amount.

(c) Any prepayment in full of the Borrower Loan required pursuant to Section 5.1(a) shall be subject to a prepayment premium as more particularly set forth in the Borrower Note. Any prepayment in part of the Borrower Loan required pursuant to Section 5.1(a) shall not be subject to a prepayment premium and shall not constitute a violation of the provisions of the Borrower Note prohibiting prepayment of the Borrower Loan prior to the end of the Lock-Out Period (as defined in the Borrower Note).

Section 5.3 Release of Remaining Borrower Loan Proceeds. If and to the extent that the Permanent Period Amount is greater than the principal amount of the Borrower Loan which has previously been disbursed to Borrower, Funding Lender shall deliver written notice thereof to Borrower on or before the Conversion Date. Within ten (10) business days after delivery of such notice, but in no event later than the Outside Conversion Date, Funding Lender shall disburse Loan proceeds to Borrower so that the aggregate principal amount of the Borrower Loan disbursed equals the Permanent Period Amount. Any Borrower Loan proceeds in excess of the Permanent Period Amount shall be paid by Borrower to Funding Lender.

Section 5.4 No Amendment. Nothing contained in this Article V shall be construed to amend, modify, alter, change or supersede the terms and provisions of the Borrower Note and Security Instrument and, if there shall exist a conflict between the terms and provisions of this Article V and those of the Borrower Note, or Security Instrument, then the terms and provisions of the Borrower Note or Security Instrument, as the case may be, shall control.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.1 Borrower Representations. To induce Governmental Lender and Funding Lender to execute this Borrower Loan Agreement and to induce Funding Lender to make Disbursements, Borrower represents and warrants for the benefit of the Governmental Lender, Funding Lender and the Servicer, that the representations and warranties set forth in this

Section 6.1 are complete and accurate as of the date hereof and will be complete and accurate, and deemed remade, as of the Closing Date, as of the date of each Disbursement, as of the original Outside Conversion Date, as of the date of any extension thereof and as of the Conversion Date. Subject to Section 6.2, the representations, warranties and agreements set forth in this Section 6.1 shall survive the making of the Borrower Loan, and shall remain in effect and true and correct in all material respects until the Borrower Loan and all other Payment Obligations have been repaid in full:

Section 6.1.1 Organization; Special Purpose. The Borrower is an Illinois limited liability company in good standing under the laws of the State, has full legal right, power and authority to enter into the Borrower Loan Documents to which it is a party, and to carry out and consummate all transactions contemplated by the Borrower Loan Documents and the Related Documents to which it is a party, and by proper limited liability company action has duly authorized the execution, delivery and performance of the Borrower Loan Documents to which it is a party. The Person(s) of the Borrower executing the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are fully authorized to execute the same. The Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which the Borrower is a party have been duly authorized, executed and delivered by the Borrower. The sole business of the Borrower is the ownership, management and operation of the Project.

Section 6.1.2 Proceedings; Enforceability. Assuming due execution and delivery by the other parties thereto, the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which the Borrower is a party will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

Section 6.1.3 No Conflicts. The execution and delivery of the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Partnership Agreement of the Borrower, or to the best knowledge of the Borrower and with respect to the Borrower, any Legal Requirements, or any applicable court or administrative decree or order, or any mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, or the financial condition, assets, properties or operations of the Borrower.

Section 6.1.4 Litigation; Adverse Facts. There is no Legal Action, nor is there a basis known to Borrower for any Legal Action, before or by any court or Governmental Authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower, the General Partner or the Guarantor, or their respective assets, properties or operations which, if determined adversely to the Borrower or its

interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Borrower Loan Documents or the Funding Loan Documents, upon the ability of each of Borrower, General Partner and Guarantor to perform their respective obligations under the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or upon the financial condition, assets, properties or operations of the Borrower, the General Partner or the Guarantor. None of the Borrower, General Partner or Guarantor is in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, the ability of each of Borrower, General Partner and Guarantor to perform their respective obligations under the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to which it is a party, or the financial condition, assets, properties or operations of the Borrower, General Partner or Guarantor. None of Borrower, General Partner or Guarantor are (a) in violation of Legal Requirements, which violation materially and adversely affects or may materially and adversely affect the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable; (b) subject to, or in default with respect to, any other Legal Requirement that would have a material adverse effect on the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable; or (c) in default with respect to any agreement to which Borrower, General Partner or Guarantor, as applicable, are a party or by which they are bound, which default would have a material adverse effect on the business, operations, assets (including the Project), condition (financial or otherwise) or prospects of Borrower, General Partner or Guarantor, as applicable; and (iv) there is no Legal Action pending or, to the knowledge of Borrower, threatened against or affecting Borrower, General Partner or Guarantor questioning the validity or the enforceability of this Borrower Loan Agreement or any of the other Borrower Loan Documents or the Funding Loan Documents or of any of the Related Documents. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

Section 6.1.5 Agreements; Consents; Approvals. Except as contemplated by the Borrower Loan Documents and the Funding Loan Documents, the Borrower is not a party to any agreement or instrument or subject to any restriction that would materially adversely affect the Borrower or the Project, or the Borrower's business, properties, operations or financial condition or business prospects, except the Permitted Encumbrances. The Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Project is bound.

No consent or approval of any trustee or holder of any indebtedness of the Borrower, and to the best knowledge of the Borrower and only with respect to the Borrower, no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except no representation is made with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of the Borrower Loan

Documents or the Funding Loan Documents, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

Section 6.1.6 Title. The Borrower shall have marketable title to the Project, free and clear of all Liens except the Permitted Encumbrances. The Security Instrument, when properly recorded in the appropriate records, together with any UCC financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the fee interest in the Project and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty included in the Project (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances. To the Borrower's knowledge, there are no delinquent real property taxes or assessments, including water and sewer charges, with respect to the Project, nor are there any claims for payment for work, labor or materials affecting the Project which are or may become a Lien prior to, or of equal priority with, the Liens created by the Borrower Loan Documents and the Funding Loan Documents.

Section 6.1.7 Survey. To the best knowledge of the Borrower, the survey for the Project delivered to the Governmental Lender and the Funding Lender does not fail to reflect any material matter affecting the Project or the title thereto.

Section 6.1.8 No Bankruptcy Filing. The Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency law or the liquidation of all or a major portion of its property (a "Bankruptcy Proceeding"), and the Borrower has no knowledge of any Person contemplating the filing of any such petition against it. As of the Closing Date, the Borrower has the ability to pay its debts as they become due.

Section 6.1.9 Full and Accurate Disclosure. No statement of fact made by the Borrower in any Loan Document or any Funding Loan Document contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein in light of the circumstances in which they were made, not misleading. There is no material fact or circumstance presently known to the Borrower that has not been disclosed to the Governmental Lender and the Funding Lender which materially and adversely affects the Project or the business, operations or financial condition or business prospects of the Borrower, or the Borrower's ability to meet its obligations under this Borrower Loan Agreement and the other Borrower Loan Documents and Funding Loan Documents to which it is a party in a timely manner.

Section 6.1.10 No Plan Assets. The Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets of the Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3 101.

Section 6.1.11 Compliance. The Borrower and the Project and the use thereof will comply, to the extent required, in all material respects with all applicable Legal Requirements. The Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would materially adversely affect the financial condition or business prospects or the business of the Borrower. There has not been committed by the Borrower or Affiliate involved with the operation or use of the Project any act or omission affording any Governmental Authority the right of forfeiture as against the

Project or any part thereof or any moneys paid in performance of the Borrower's obligations under any Loan Document or any Funding Loan Documents.

Section 6.1.12 Contracts. All service, maintenance or repair contracts affecting the Project have been entered into at arm's length (except for such contracts between the Borrower and its affiliates or the affiliates of the Borrower Controlling Entity of the Borrower) in the ordinary course of the Borrower's business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 6.1.13 Financial Information. All financial data, including any statements of cash flow and income and operating expense, that have been delivered to the Governmental Lender or the Funding Lender in respect of the Project by or on behalf of the Borrower, to the best knowledge of the Borrower, (i) are accurate and complete in all material respects, (ii) accurately represent the financial condition of the Project as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with the Approved Accounting Method consistently applied throughout the periods covered, except as disclosed therein. Other than pursuant to or permitted by the Borrower Loan Documents or the Funding Loan Documents or the Borrower organizational documents, the Borrower has no contingent liabilities, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of the Borrower from that set forth in said financial statements.

Section 6.1.14 Condemnation. No Condemnation or other proceeding has been commenced or, to the Borrower's knowledge, is contemplated, threatened or pending with respect to all or part of the Project or for the relocation of roadways providing access to the Project.

Section 6.1.15 Federal Reserve Regulations. No part of the proceeds of the Borrower Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other regulation of such Board of Governors, or for any purpose prohibited by Legal Requirements or any Loan Document or Funding Loan Document.

Section 6.1.16 Utilities and Public Access. To the best of the Borrower's knowledge, the Project is or will be served by water, sewer, sanitary sewer and storm drain facilities adequate to service it for its intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Project are or will be located in the public right-of-way abutting the Project, and all such utilities are or will be connected so as to serve the Project without passing over other property absent a valid easement. All roads necessary for the use of the Project for its current purpose have been or will be completed and dedicated to public use and accepted by all Governmental Authorities. Except for Permitted Encumbrances, the Project does not share ingress and egress through an easement or private road or share on-site or off-site recreational facilities and amenities that are not located on the Project and under the exclusive control of the Borrower, or where there is shared ingress and egress or amenities, there exists an easement or joint use and maintenance agreement under which (i) access to and use and enjoyment of the easement or private road and/or recreational facilities and amenities is perpetual, (ii) the number of parties sharing such easement and/or recreational facilities and amenities must be specified, (iii) the Borrower's responsibilities and share of

expenses are specified, and (iv) the failure to pay any maintenance fee with respect to an easement will not result in a loss of usage of the easement.

Section 6.1.17 Not a Foreign Person. The Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

Section 6.1.18 Intentionally Omitted.

Section 6.1.19 Assessments. There are no pending or, to the Borrower's best knowledge, proposed special or other assessments for public improvements or otherwise affecting the Project, or any contemplated improvements to the Project that may result in such special or other assessments.

Section 6.1.20 Enforceability. The Borrower Loan Documents and the Funding Loan Documents are not subject to, and the Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

Section 6.1.21 Insurance. The Borrower has obtained the insurance required by Article IX hereof and has delivered to the Servicer copies of insurance policies or certificates of insurance reflecting the insurance coverages, amounts and other requirements set forth in this Borrower Loan Agreement and the Security Instrument.

Section 6.1.22 Use of Property; Licenses. The Project will be used exclusively as a multifamily residential rental project and other appurtenant and related uses, which use is consistent with the zoning classification for the Project. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use or legal, nonconforming use, as applicable, occupancy and operation of the Project (collectively, the "Licenses") required at this time for the acquisition, construction or rehabilitation, as appropriate, and equipping of the Project have been obtained. To the Borrower's knowledge, all Licenses obtained by the Borrower have been validly issued and are in full force and effect. The Borrower has no reason to believe that any of the Licenses required for the future use and occupancy of the Project and not heretofore obtained by the Borrower will not be obtained by the Borrower in the ordinary course following the Completion Date. No Licenses will terminate, or become void or voidable or terminable, upon any sale, transfer or other disposition of the Project, including any transfer pursuant to foreclosure sale under the Security Instrument or deed in lieu of foreclosure thereunder. The Project does not violate any density or building setback requirements of the applicable zoning law except to the extent, if any, shown on the survey. No proceedings are, to the best of the Borrower's knowledge, pending or threatened that would result in a change of the zoning of the Project.

Section 6.1.23 Flood Zone. Either all Improvements will be constructed above the flood grade or the Borrower will obtain appropriate flood insurance as directed by the Servicer.

Section 6.1.24 Physical Condition. The Project, including all Improvements, parking facilities, systems, fixtures, Equipment and landscaping, are or, after completion of the construction, rehabilitation and/or repairs, as appropriate, will be in good and habitable condition in all material respects and in good order and repair in all material respects (reasonable wear and tear excepted). The Borrower has not received notice from any insurance company or bonding company of any defect or inadequacy in the Project, or any part thereof, which would

adversely affect its insurability or cause the imposition of extraordinary premiums or charges thereon or any termination of any policy of insurance or bond.

Section 6.1.25 Encroachments. All of the Improvements included in determining the appraised value of the Project will lie wholly within the boundaries and building restriction lines of the Project, and no improvement on an adjoining property encroaches upon the Project, and no easement or other encumbrance upon the Project encroaches upon any of the Improvements, so as to affect the value or marketability of the Project, except those insured against by the Title Insurance Policy or disclosed in the survey of the Project as approved by the Servicer.

Section 6.1.26 State Law Requirements. The Borrower hereby represents, covenants and agrees to comply with the provisions of all applicable state laws relating to the Borrower Loan, the Funding Loan and the Project.

Section 6.1.27 Filing and Recording Taxes. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Project to the Borrower have been paid. All mortgage, mortgage recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Borrower Loan Documents and the Funding Loan Documents have been or will be paid.

Section 6.1.28 Investment Company Act. The Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; or (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 6.1.29 Fraudulent Transfer. The Borrower has not accepted the Borrower Loan or entered into any Loan Document or Funding Loan Document with the actual intent to hinder, delay or defraud any creditor, and the Borrower has received reasonably equivalent value in exchange for its obligations under the Borrower Loan Documents and the Funding Loan Documents. Giving effect to the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents, the fair saleable value of the Borrower's assets exceeds and will, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents, exceed the Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. The fair saleable value of the Borrower's assets is and will, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents, be greater than the Borrower's probable liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. The Borrower's assets do not and, immediately following the execution and delivery of the Borrower Loan Documents and the Funding Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. The Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of the Borrower).

Section 6.1.30 Ownership of the Borrower. Except as set forth in the Partnership Agreement of the Borrower, the Borrower has no obligation to any Person to purchase, repurchase or issue any ownership interest in it.

Section 6.1.31 Environmental Matters. Except as set forth in environmental reports previously provided to Beneficiary Parties, to the best of Borrower's knowledge, the Project is not in violation of any Legal Requirement pertaining to or imposing liability or standards of conduct concerning environmental regulation, contamination or clean-up, and will comply with covenants and requirements relating to environmental hazards as set forth in the Security Instrument. The Borrower will execute and deliver the Agreement of Environmental Indemnification.

Section 6.1.32 Name; Principal Place of Business. Unless prior Written Notice is given to the Funding Lender, the Borrower does not use and will not use any trade name, and has not done and will not do business under any name other than its actual name set forth herein. The principal place of business of the Borrower is its primary address for notices as set forth in Section 12.1, and the Borrower has no other place of business, other than the Project and such principal place of business.

Section 6.1.33 Subordinated Debt. There is no secured or unsecured indebtedness with respect to the Project or any residual interest therein, other than Permitted Encumbrances and the permitted secured indebtedness described in Section 8.8, except an unsecured deferred developer fee not to exceed the amount permitted by Funding Lender as determined on the Closing Date.

Section 6.1.34 Filing of Taxes. The Borrower has filed (or has obtained effective extensions for filing) all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments, if any, payable by the Borrower.

Section 6.1.35 General Tax. All representations, warranties and certifications of the Borrower set forth in the Regulatory Agreement and the Tax Certificate are incorporated by reference herein and the Borrower will comply with such as if set forth herein.

Section 6.1.36 Approval of the Borrower Loan Documents and Funding Loan Documents. By its execution and delivery of this Borrower Loan Agreement, the Borrower approves the form and substance of the Borrower Loan Documents and the Funding Loan Documents, and agrees to carry out the responsibilities and duties specified in the Borrower Loan Documents and the Funding Loan Documents to be carried out by the Borrower. The Borrower acknowledges that (a) it understands the nature and structure of the transactions relating to the financing of the Project, (b) it is familiar with the provisions of all of the Borrower Loan Documents and the Funding Loan Documents and other documents and instruments relating to the financing, (c) it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project, and (d) it has not relied on the Governmental Lender, the Funding Lender or the Servicer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Loan Documents and the Funding Loan Documents or otherwise relied on the Governmental Lender, the Funding Lender or the Servicer in any manner.

Section 6.1.37 Funding Loan Agreement. The Borrower has read and accepts agrees that it is bound by the Funding Loan Agreement and the Funding Loan Documents.

Section 6.1.38 Americans with Disabilities Act. The Project, as designed, will conform in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, including, but not limited to, the Americans with Disabilities Act of 1990 ("ADA"), to the extent required (as evidenced by an architect's certificate to such effect).

Section 6.1.39 Requirements of Code. The Project satisfies all requirements of the Code applicable to the Project.

Section 6.1.40 Regulatory Agreement. The Project is, as of the date of origination of the Funding Loan, in compliance with all requirements of the Regulatory Agreement to the extent such requirements are applicable; and the Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Code, and pursuant to leases which comply with all Legal Requirements.

Section 6.1.41 Intention to Hold Project. The Borrower intends to hold the Project for its own account and has no current plans, and has not entered into any agreement, to sell the Project or any part of it; and the Borrower intends to occupy the Project or cause the Project to be occupied and to operate it or cause it to be operated at all times during the term of this Borrower Loan Agreement in compliance with the terms of this Borrower Loan Agreement and the Regulatory Agreement and does not know of any reason why the Project will not be so used by it in the absence of circumstances not now anticipated by it or totally beyond its control.

Section 6.1.42 Concerning General Partner.

(a) The General Partner of Borrower is a limited liability company, duly organized and validly existing under the laws of the State of Illinois. Each General Partner has all requisite power and authority, rights and franchises to enter into and perform its obligations under the Borrower Loan Documents, the Funding Loan Documents and the Related Documents to be executed by such General Partner for its own account and on behalf of Borrower, as manager of Borrower, under this Borrower Loan Agreement, the other Borrower Loan Documents, the Funding Loan Documents and the Related Documents.

(b) General Partner has made all filings (including, without limitation, all required filings related to the use of fictitious business names) and is in good standing in the State and in each other jurisdiction in which the character of the property it owns or the nature of the business it transacts makes such filings necessary or where the failure to make such filings could have a material adverse effect on the business, operations, assets, condition (financial or otherwise) or prospects of General Partner.

(c) General Partner is duly authorized to do business in the State.

(d) The execution, delivery and performance by Borrower of the Borrower Loan Documents, the Funding Loan Documents and the Related Documents have been duly authorized by all necessary action of General Partner on behalf of Borrower, and by all necessary action on behalf of General Partner.

(e) The execution, delivery and performance by General Partner, on behalf of Borrower, of the Borrower Loan Documents, the Funding Loan Documents and the Related Documents will not violate (i) General Partner's organizational documents; (ii) any other Legal

Requirement affecting General Partner or any of its properties; or (iii) any agreement to which General Partner is bound or to which it is a party; and will not result in or require the creation (except as provided in or contemplated by this Borrower Loan Agreement) of any Lien upon any of such properties, any of the Collateral or any of the property or funds pledged or delivered to Funding Lender pursuant to the Security Documents.

Section 6.1.43 Concerning Guarantor. This Borrower Loan Agreement, the other Borrower Loan Documents, the Funding Loan Documents and the Related Documents executed simultaneously with this Borrower Loan Agreement have been duly executed and delivered by Guarantor and are legally valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

Section 6.1.44 Payment of Taxes. Except as previously disclosed to Funding Lender in writing: (i) all tax returns and reports of Borrower, General Partner and Guarantor required to be filed have been timely filed, and all taxes, assessments, fees and other governmental charges upon Borrower, General Partner and Guarantor, and upon their respective properties, assets, income and franchises, which are due and payable have been paid when due and payable; and (ii) Borrower knows of no proposed tax assessment against it or against General Partner or Guarantor that would be material to the condition (financial or otherwise) of Borrower, General Partner or Guarantor, and neither Borrower nor General Partner have contracted with any Government Authority in connection with such taxes.

Section 6.1.45 Rights to Project Agreements and Licenses. Borrower is the legal and beneficial owner of all rights in and to the Plans and Specifications and all existing Project Agreements and Licenses, and will be the legal and beneficial owner of all rights in and to all future Project Agreements and Licenses. Borrower's interest in the Plans and Specifications and all Project Agreements and Licenses is not subject to any present claim (other than under the Borrower Loan Documents, the Funding Loan Documents, the Subordinate Loan documents and the TIF RDA or as otherwise approved by Funding Lender in its sole discretion), set-off or deduction other than in the ordinary course of business.

Section 6.1.46 Patriot Act Compliance. Each Borrower, General Partner and Guarantor is not now, nor has ever been (i) listed on any Government Lists (as defined below), (ii) a person who has been determined by a Governmental Authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) under investigation by any Governmental Authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" shall mean any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) Bank Representative Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" shall mean (1) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC"), (2) any other list of terrorists,

terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Funding Lender notified Borrower in writing is now included in "Government Lists", or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Government Authority or pursuant to any Executive Order of the President of the United States of America that Funding Lender notified Borrower in writing is now included in "Government Lists."

Section 6.1.47 Rent Schedule. Borrower has prepared a prospective Unit absorption and rent collection schedule with respect to the Project substantially in the form attached to the Construction Funding Agreement as Exhibit E, which schedule takes into account, among other relevant factors (i) a schedule of minimum monthly rentals for the Units, and (ii) any and all concessions by shall mean of free rent periods, and on the basis of such schedule, Borrower believes it will collect rents with respect to the Mortgaged Property in amounts greater than or equal to debt service on the Borrower Loan.

Section 6.1.48 Other Documents. Each of the representations and warranties of Borrower or General Partner contained in any of the other Borrower Loan Documents or the Funding Loan Documents or Related Documents is true and correct in all material respects (or, in the case of representations or warranties contained in any of the other Borrower Loan Documents or Funding Loan Documents or Related Documents that speak as of a particular date, were true and correct in all material respects as of such date). All of such representations and warranties are incorporated herein for the benefit of Funding Lender.

Section 6.2 Survival of Representations and Covenants. All of the representations and warranties in Section 6.1 and elsewhere in the Borrower Loan Documents (i) shall survive for so long as any portion of the Borrower Payment Obligations remains due and owing and (ii) shall be deemed to have been relied upon by the Governmental Lender and the Servicer notwithstanding any investigation heretofore or hereafter made by the Governmental Lender or the Servicer or on its or their behalf, provided, however, that the representations, warranties and covenants set forth in Section 6.1.31 shall survive in perpetuity and shall not be subject to the exculpation provisions of Section 13.1.

ARTICLE VII

AFFIRMATIVE COVENANTS

During the term of this Borrower Loan Agreement, the Borrower hereby covenants and agrees with the Governmental Lender, the Funding Lender and the Servicer that:

Section 7.1 Existence. The Borrower shall (i) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and its material rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all material Licenses, and (iv) qualify to do business and remain in good standing under the laws of the State.

Section 7.2 Taxes and Other Charges. The Borrower shall pay all Taxes and Other Charges as the same become due and payable in accordance with the Security Instrument, except to the extent that the amount, validity or application thereof is being contested in good faith as permitted by the Security Instrument.

The Borrower covenants to pay all taxes and other charges of any type or character charged to the Funding Lender affecting the amount available to the Funding Lender from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and other charges assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Funding Lender and taxes based upon or measured by the net income of the Funding Lender; provided, however, that the Borrower shall have the right to protest any such taxes or other charges and to require the Funding Lender, at the Borrower's expense, to protest and contest any such taxes or other charges levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or other charges pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Funding Lender. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 7.3 Repairs; Maintenance and Compliance; Physical Condition. The Borrower shall cause the Project to be maintained in a good, habitable and safe (so as to not threaten the health or safety of the Project's tenants or their invited guests) condition and repair (reasonable wear and tear excepted) as set forth in the Security Instrument and shall not remove, demolish or materially alter the Improvements or Equipment (except for removal of aging or obsolete equipment or furnishings in the normal course of business), except as provided in the Security Instrument.

Section 7.4 Litigation. The Borrower shall give prompt Written Notice to the Governmental Lender, the Funding Lender and the Servicer of any litigation, proceedings, claims or investigations by any Governmental Authority regarding an alleged actual violation of a Legal Requirement pending or, to the Borrower's knowledge, threatened against the Borrower which might materially adversely affect the Borrower's condition (financial or otherwise) or business or the Project.

Section 7.5 Performance of Other Agreements. The Borrower shall observe and perform in all material respects each and every term to be observed or performed by it pursuant to the terms of any agreement or instrument affecting or pertaining to the Project.

Section 7.6 Notices. The Borrower shall promptly advise the Governmental Lender, the Funding Lender and the Servicer of (i) any material adverse change in the Borrower's financial condition, assets, properties or operations other than general changes in the real estate market, (ii) any fact or circumstance affecting the Borrower or the Project that materially and adversely affects the Borrower's ability to meet its obligations hereunder or under any of the other Loan Document to which it is a party in a timely manner, or (iii) the occurrence of any Default or Loan Agreement Default of which the Borrower has knowledge. If the Borrower becomes subject to federal or state securities law filing requirements, the Borrower shall cause to be delivered to the Governmental Lender, the Funding Lender and the Servicer any Securities and Exchange Commission or other public filings, if any, of the Borrower within two (2) business days of such filing.

Section 7.7 Cooperate in Legal Proceedings. The Borrower shall cooperate fully with the Governmental Lender, the Funding Lender and the Servicer with respect to, and permit the Governmental Lender, the Funding Lender and the Servicer at their option, to participate in, any proceedings before any Governmental Authority that may in any way affect the rights of the

Governmental Lender, the Funding Lender and/or the Servicer under any Loan Document or Funding Loan Document.

Section 7.8 Further Assurances. The Borrower shall, [at the Borrower's sole cost and expense (except as provided in Section 11.1),] (i) furnish to the Servicer and the Funding Lender all instruments, documents, boundary surveys, footing or foundation surveys (to the extent that Borrower's construction or renovation of the Project alters any existing building foundations or footprints), certificates, plans and specifications, appraisals, title and other insurance reports and agreements, reasonably requested by the Servicer or the Funding Lender for the better and more efficient carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents; (ii) execute and deliver to the Servicer and the Funding Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Borrower Loan, as the Servicer and the Funding Lender may reasonably require from time to time; and (iii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of the Borrower Loan Documents and the Funding Loan Documents, as the Servicer or the Funding Lender shall reasonably require from time to time; provided, however, with respect to clauses (i)-(iii) above, the Borrower shall not be required to do anything that has the effect of (A) changing the essential economic terms of the Borrower Loan or (B) imposing upon the Borrower greater personal liability under the Borrower Loan Documents and the Funding Loan Documents; and (iv) upon the Servicer's or the Funding Lender's request therefor given from time to time after the occurrence of any Default or Loan Agreement Default for so long as such Default or Loan Agreement Default, as applicable, is continuing pay for (a) reports of UCC, federal tax lien, state tax lien, judgment and pending litigation searches with respect to the Borrower and (b) searches of title to the Project, each such search to be conducted by search firms reasonably designated by the Servicer or the Funding Lender in each of the locations reasonably designated by the Servicer or the Funding Lender.

Section 7.9 Delivery of Financial Information. After notice to the Borrower of a Secondary Market Disclosure Document, the Borrower shall, concurrently with any delivery to the Funding Lender or the Servicer, deliver copies of all financial information required under Article XI.

Section 7.10 Environmental Matters. So long as the Borrower owns or is in possession of the Project, the Borrower shall (a) keep the Project in compliance with all Hazardous Materials Laws (as defined in the Security Instrument), (b) promptly notify the Governmental Lender, the Funding Lender and the Servicer if the Borrower shall become aware that any Hazardous Materials (as defined in the Security Instrument) are on or near the Project in violation of Hazardous Materials Laws; and (c) commence and thereafter diligently prosecute to completion all remedial work necessary with respect to the Project required under any Hazardous Material Laws, in each case as set forth in the Security Instrument or the Agreement of Environmental Indemnification.

Section 7.11 Title to the Project. The Borrower will warrant and defend the title to the Project, and the validity and priority of the Lien of the Security Instrument, subject only to Permitted Encumbrances; against the claims of all Persons.

Section 7.12 Governmental Lender's and Funding Lender's Fees. The Borrower covenants to pay the fees of the Governmental Lender (including the Ongoing Fee) and

reasonable fees and expenses of the Funding Lender or any agents, attorneys, accountants, consultants selected by the Governmental Lender or the Funding Lender to act on its behalf in connection with this Borrower Loan Agreement and the other Borrower Loan Documents, the Regulatory Agreement and the Funding Loan Documents, including, without limitation, the Commitment Fee and any and all reasonable expenses incurred in connection with the making of the Borrower Loan or in connection with any litigation which may at any time be instituted involving the Borrower Loan, this Borrower Loan Agreement, the other Borrower Loan Documents, the Regulatory Agreement and the Funding Loan Documents or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing. This obligation shall remain valid and in effect notwithstanding repayment of the Borrower Loan hereunder or termination of this Borrower Loan Agreement.

Section 7.13 Estoppel Statement. The Borrower shall furnish to the Funding Lender or the Servicer for the benefit of the Government Lender and the Funding Lender or the Servicer within ten (10) days after request by the Funding Lender and the Servicer, with a statement, duly acknowledged and certified, setting forth (i) the unpaid principal of the Borrower Note, (ii) the applicable Interest Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Borrower Payment Obligations, and (v) that the Borrower Loan Documents and the Funding Loan Documents to which the Borrower is a party are valid, legal and binding obligations of the Borrower and have not been modified or, if modified, giving particulars of such modification, and no Event of Default exists thereunder or specify any Event of Default that does exist thereunder.

Section 7.14 Defense of Actions. The Borrower shall appear in and defend any action or proceeding purporting to affect the security for this Borrower Loan Agreement hereunder or under the Borrower Loan Documents and the Funding Loan Documents, and shall pay, in the manner required by Section 2.5, all costs and expenses, including the cost of evidence of title and attorneys' fees, in any such action or proceeding in which Funding Lender may appear. If the Borrower fails to perform any of the covenants or agreements contained in this Borrower Loan Agreement or any other Loan Document, or if any action or proceeding is commenced that is not diligently defended by the Borrower which affects the Funding Lender's interest in the Project or any part thereof, including eminent domain, code enforcement or proceedings of any nature whatsoever under any Federal or state law, whether now existing or hereafter enacted or amended, then the Funding Lender may make such appearances, disburse such sums and take such action as the Funding Lender deems necessary or appropriate to protect its interests. Such actions include disbursement of attorneys' fees, entry upon the Project to make repairs or take other action to protect the security of the Project, and payment, purchase, contest or compromise of any encumbrance, charge or lien which in the judgment of Funding Lender appears to be prior or superior to the Borrower Loan Documents or the Funding Loan Documents. The Funding Lender shall have no obligation to do any of the above. The Funding Lender may take any such action without notice to or demand upon the Borrower. No such action shall release the Borrower from any obligation under this Borrower Loan Agreement or any of the other Borrower Loan Documents or Funding Loan Documents. In the event (i) that the Security Instrument is foreclosed in whole or in part or that any Loan Document is put into the hands of an attorney for collection, suit, action or foreclosure, or (ii) of the foreclosure of any mortgage, deed of trust or deed to secure debt prior to or subsequent to the Security Instrument or any Loan Document in which proceeding the Funding Lender is made a party or (iii) of the bankruptcy of the Borrower or an assignment by the Borrower for the benefit of its creditors, the Borrower shall be chargeable with and agrees to pay all costs of collection and defense,

including actual attorneys' fees in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, which shall be due and payable together with all required service or use taxes.

Section 7.15 Expenses. The Borrower shall pay all reasonable expenses incurred by the Governmental Lender, the Funding Lender and the Servicer (except as provided in Section 11.1) in connection with the Borrower Loan and the Funding Loan, including reasonable fees and expenses of the Governmental Lender's, the Funding Lender's and the Servicer's attorneys, environmental, engineering and other consultants, and fees, charges or taxes for the recording or filing of Borrower Loan Documents and the Funding Loan Documents. The Borrower shall pay or cause to be paid all reasonable expenses of the Governmental Lender, the Funding Lender and the Servicer (except as provided in Section 11.1) in connection with the issuance or administration of the Borrower Loan and the Funding Loan, including audit costs, inspection fees, settlement of condemnation and casualty awards, and premiums for title insurance and endorsements thereto. The Borrower shall, upon request, promptly reimburse the Governmental Lender, the Funding Lender and the Servicer for all reasonable amounts expended, advanced or incurred by the Governmental Lender, the Funding Lender and the Servicer to collect the Borrower Note, or to enforce the rights of the Governmental Lender, the Funding Lender and the Servicer under this Borrower Loan Agreement or any other Borrower Loan Document, or to defend or assert the rights and claims of the Governmental Lender, the Funding Lender and the Servicer under the Borrower Loan Documents and the Funding Loan Documents arising out of a Borrower Loan Agreement Default or with respect to the Project (by litigation or other proceedings) arising out of a Borrower Loan Agreement Default, which amounts will include all court costs, attorneys' fees and expenses, fees of auditors and accountants, and investigation expenses as may be reasonably incurred by the Governmental Lender, the Funding Lender and the Servicer in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the Date of Disbursement until the date of reimbursement to the Governmental Lender, the Funding Lender and the Servicer, all of which shall constitute part of the Borrower Loan and the Funding Loan and shall be secured by the Borrower Loan Documents and the Funding Loan Documents. The obligations and liabilities of the Borrower under this Section 7.15 shall survive the Term of this Borrower Loan Agreement and the exercise by the Governmental Lender, the Funding Lender or the Servicer, as the case may be, of any of its rights or remedies under the Borrower Loan Documents and the Funding Loan Documents, including the acquisition of the Project by foreclosure or a conveyance in lieu of foreclosure. Notwithstanding the foregoing, the Borrower shall not be obligated to pay amounts incurred as a result of the gross negligence or willful misconduct of any other party, and any obligations of the Borrower to pay for environmental inspections or audits will be governed by Section 18(i) [and 44(i)] of the Security Instrument.

The Borrower shall not be responsible for any costs associated with any securitization of the Borrower Loan or the Funding Loan.

Section 7.16 Indemnity. In addition to its other obligations hereunder, and in addition to any and all rights of reimbursement, indemnification, subrogation and other rights of Governmental Lender or Funding Lender pursuant hereto and under law or equity, to the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender, the Funding Lender, the Servicer, the Beneficiary Parties, and each of their respective officials, officers, directors, employees, attorneys and agents (each an "Indemnified Party"), against any and all losses, damages, claims, actions, liabilities, reasonable costs and expenses of any nature, kind or character (including, without limitation, reasonable

attorneys' fees, litigation and court costs, amounts paid in settlement (to the extent that the Borrower has consented to such settlement) and amounts paid to discharge judgments) (hereinafter, the "Liabilities") to which the Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to:

(a) The Borrower Loan Documents and the Funding Loan Documents or the execution or amendment thereof or in connection with transactions contemplated thereby, excluding the sale, transfer or resale of the Borrower Loan or the Funding Loan, except to the extent of Borrower's obligations with respect to any Secondary Market Disclosure Document under Article XI;

(b) Any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees in connection with the Borrower Loan, the Funding Loan or the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction and/or rehabilitation of, the Project or any part thereof;

(c) Any lien (other than a Permitted Lien) or charge upon payments by the Borrower to the Governmental Lender or the Funding Lender hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Governmental Lender or the Funding Lender in respect of any portion of the Project;

(d) Any violation of any environmental law, rule or regulation with respect to, or the release of any toxic substance from, the Project or any part thereof during the period in which the Borrower is in possession or control of the Project;

(e) The enforcement of, or any action taken by the Governmental Lender or the Funding Lender related to remedies under, this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents;

(f) Any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower (i) made in the course of Borrower applying for the Borrower Loan or the Funding Loan, or (ii) contained in any of the Borrower Loan Documents or Funding Loan Documents to which the Borrower is a party or any omission or alleged omission from any offering statement or document of any material fact necessary to be stated therein to make the statements therein by Borrower, in light of the circumstances under which they were made, not misleading or (iii) any offering statement relating to the Funding Loan;

(g) Any breach (or alleged breach) by Borrower of any representation, warranty or covenant made in or pursuant to this Borrower Loan Agreement or in connection with any written or oral representation, presentation, report, appraisal or other information given or delivered by Borrower, General Partner, Guarantor or their Affiliates to Governmental Lender, the Funding Lender, Servicer or any other Person in connection with Borrower's application for the Borrower Loan and the Funding Loan;

(h) any failure (or alleged failure) by Borrower, the Funding Lender or Governmental Lender to comply with applicable federal and state laws and regulations pertaining to the making of the Borrower Loan and the Funding Loan;

(i) the Project, or the condition, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, construction or rehabilitation of, the Project or any part thereof; or

(j) the use of the proceeds of the Borrower Loan and the Funding Loan,

except in the case of the foregoing indemnification of the Governmental Lender, the Funding Lender or the Servicer or any related Indemnified Party, to the extent such damages are caused by the gross negligence or willful misconduct of such Indemnified Party.

Without limiting the foregoing, to the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Governmental Lender, and each of its officers, officials, directors, employees, attorneys and agents ("City Indemnified Parties") against any Liability to which the City Indemnified Parties, or any of them, may become subject under federal or state securities laws or any other statutory law or at common law or otherwise, to the extent arising out of or based upon or in any way relating to any declaration of taxability of interest on the Funding Loan or allegations (or regulatory inquiry) that interest on the Funding Loan is taxable for federal income tax purposes, except to the extent such damages are caused by the gross negligence or willful misconduct of a City Indemnified Party.

Notwithstanding anything herein to the contrary, the Borrower's indemnification obligations to the parties specified in Section 11.1.4 with respect to any securitization or Secondary Market Transaction described in Article XI hereof shall be limited to the indemnity set forth in Section 11.1.4 hereof. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party (which notice shall be timely given so as not to materially impair the Borrower's right to defend), shall assume the investigation and defense thereof, including the employment of counsel reasonably approved by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement, which approval shall not be unreasonably withheld. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the investigation and defense thereof; provided, however, the Governmental Lender shall have the absolute right to employ separate counsel at the expense of the Borrower. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if and only if in such Indemnified Party's good faith judgment (based on the advice of counsel) a conflict of interest exists or could arise by reason of common representation, except that the Borrower shall always pay the reasonable fees and expenses of the Governmental Lender's separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of this Borrower Loan Agreement or the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless the Governmental Lender and the Funding Lender have consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

The rights of any persons to indemnity and the right to payment of fees and reimbursement of expenses hereunder shall survive the final payment or defeasance of the

Borrower Loan and the Funding Loan and in the case of the Servicer, any resignation or removal. The provisions of this Section shall survive the termination of this Borrower Loan Agreement.

Nothing in this Section 7.16 shall in any way limit the Borrower's indemnification and other payment obligations set forth in the Regulatory Agreement.

Section 7.17 No Warranty of Condition or Suitability by the Governmental Funding Lender. The Governmental Lender and the Funding Lender make no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Borrower's purposes or needs.

Section 7.18 Right of Access to the Project. The Borrower agrees that the Governmental Lender, the Funding Lender, the Servicer and the Construction Consultant, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but no obligation at all reasonable times during business hours and upon reasonable notice, to enter onto the Land (a) to examine, test and inspect the Project without material interference or prejudice to the Borrower's operations and (b) to perform such work in and about the Project made necessary by reason of the Borrower's default under any of the provisions of this Borrower Loan Agreement. The Governmental Lender, the Funding Lender, the Servicer, and their duly authorized agents, attorneys, accountants and representatives shall also be permitted, without any obligation to do so, at all reasonable times and upon reasonable notice during business hours, to examine the books and records of the Borrower with respect to the Project.

Section 7.19 Notice of Default. The Borrower will advise the Governmental Lender, the Funding Lender and the Servicer promptly in writing of the occurrence of any Default or Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 7.20 Covenant with Governmental Lender and Funding Lender. The Borrower agrees that this Borrower Loan Agreement is executed and delivered in part to induce the purchase by others of the Borrower Loan and, accordingly, all covenants and agreements of the Borrower contained in this Borrower Loan Agreement are hereby declared to be for the benefit of the Governmental Lender, the Funding Lender and any lawful owner, holder or pledgee of the Borrower Note or the Funding Note from time to time.

Section 7.21 Obligation of the Borrower to Construct or Rehabilitate the Project. The Borrower shall proceed with reasonable dispatch to construct and/or rehabilitate, as appropriate, and equip the Project. If the proceeds of the Borrower Loan, together with the Other Borrower Moneys, available to be disbursed to the Borrower are not sufficient to pay the costs of such construction or rehabilitation, as appropriate, and equipping, the Borrower shall pay such additional costs from its own funds. The Borrower shall not be entitled to any reimbursement from the Governmental Lender, the Funding Lender or the Servicer in respect of any such costs or to any diminution or abatement in the repayment of the Borrower Loan. The Governmental Lender and the Funding Lender shall not be liable to the Borrower or any other person if for any reason the Project is not completed or if the proceeds of the Borrower Loan are insufficient to pay all costs of the Project. The Governmental Lender and the Funding Lender do not make any representation or warranty, either express or implied, that moneys, if any, which will be made available to the Borrower will be sufficient to complete the Project, and the Governmental

Lender and the Funding Lender shall not be liable to the Borrower or any other person if for any reason the Project is not completed.

Section 7.22 Maintenance of Insurance. Borrower will maintain the insurance required by the Security Instrument and the Construction Funding Agreement.

Section 7.23 Tax Covenants. The Borrower further represents, warrants and covenants as follows:

(a) General. The Borrower shall not take any action or omit to take any action within its direct or indirect control which, if taken or omitted, respectively, would adversely affect the exclusion of interest on the Funding Loan from gross income (as defined in Section 61 of the Code), for federal income tax purposes and, if it should take or permit any such action, the Borrower will take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof and that the Borrower will take such action or actions, including amendment of this Borrower Loan Agreement, the Security Instrument and the Regulatory Agreement, as may be necessary, in the opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service applicable to the Funding Loan or affecting the Project. Capitalized terms used in this Section 7.23 shall have the respective meanings assigned to them in the Regulatory Agreement or, if not defined therein, in the Funding Loan Agreement. With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that, prior to the final maturity of the Funding Loan Agreement, unless it has received and filed with the Governmental Lender and the Funding Lender a Bond Counsel No Adverse Affect Opinion (other than with respect to interest on any portion of the Funding Loan for a period during which such portion of the Funding Loan is held by a "substantial user" of the facilities with respect to which the proceeds of the Funding Loan were used or a "related person," as such terms are used in Section 147(a) of the Code), the Borrower will comply with this Section 7.23.

(b) Use of Proceeds. The use of the net proceeds of the Funding Loan at all times will satisfy the following requirements:

(i) Limitation on Net Proceeds. At least 95% of the "net proceeds" of the Funding Loan (within the meaning of the Code) actually expended shall be used to pay Qualified Project Costs that are costs of a "qualified residential rental project" (within the meaning of Sections 142(a)(7) and 142(d) of the Code) and property that is "functionally related and subordinate" thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations).

(ii) Limit on Costs of Funding. The proceeds of the Funding Loan will be expended for the purposes set forth in this Borrower Loan Agreement and in the Funding Loan Agreement and no portion thereof in excess of two percent of the proceeds of the Funding Loan, within the meaning of Section 147(g) of the Code, will be expended to pay Costs of Funding.

(iii) Prohibited Facilities. The Borrower shall not use or permit the use of any proceeds of the Funding Loan or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(iv) Limitation on Land. Less than 25 percent of the net proceeds of the Funding Loan actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein, nor will any portion of the net proceeds of the Funding Loan be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(v) Limitation on Existing Facilities. No portion of the net proceeds of the Funding Loan will be used for the acquisition of any existing property or an interest therein unless (A) the first use of such property is pursuant to such acquisition or (B) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15 percent of the cost of acquiring such building financed with the proceeds of the Funding Loan (with respect to structures other than buildings, this clause shall be applied by substituting 100 percent for 15 percent). For purposes of the preceding sentence, the term "rehabilitation expenditures" shall have the meaning set forth in Section 147(d)(3) of the Code.

(vi) Accuracy of Information. The information furnished by the Borrower and used by the Governmental Lender in preparing its certifications with respect to Section 148 of the Code and the information statement pursuant to Section 149(e) of the Code is accurate and complete as of the Closing Date for the Funding Loan.

(vii) Limitation of Project Expenditures. The acquisition, construction and equipping of the Project were not commenced (within the meaning of Section 144(a) of the Code) prior to the 60th day preceding the adoption of the resolution of the Governmental Lender with respect to the Project on December 2, 2009, and no obligation for which reimbursement will be sought from proceeds of the Funding Loan relating to the acquisition, construction or equipping of the Project was paid or incurred prior to 60 days prior to such date, except for permissible "preliminary expenditures," which include architectural, engineering surveying, soil testing, reimbursement bond issuance and similar costs incurred prior to the commencement of construction, rehabilitation or acquisition of the Project.

(viii) Qualified Costs. The Borrower hereby represents, covenants and warrants that the proceeds of the Funding Loan shall be used or deemed used exclusively to pay costs which (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code and that for the greatest number of buildings the proceeds of the Funding Loan shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Funding Loan for the purpose of complying with Section 42(h)(4)(B) of the Code; provided however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Funding Lender nor the Governmental Lender shall have any obligation to enforce this statement nor shall they incur any liability to any person, including without limitation, the Borrower, the partners of the Borrower, any other affiliate of the Borrower or the holders or payees of the Funding Loan and the Borrower Note for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or event of default under this Borrower Loan Agreement or the Funding Loan Agreement.

(c) Limitation on Maturity. The average maturity of the Funding Loan does not exceed 120 percent of the average reasonably expected economic life of the facilities being financed with the net proceeds of the Funding Loan, weighted in proportion to the respective cost of each item comprising the property the cost of which has been or will be financed, directly

or indirectly, with the net proceeds of the Funding Loan. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the Closing Date for the Funding Loan or (B) the date on which such property is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of property.

(d) No Arbitrage. The Borrower shall not take any action or omit to take any action with respect to the Gross Proceeds of the Funding Loan or of any amounts expected to be used to pay the principal thereof or the interest thereon which, if taken or omitted, respectively, would cause the Funding Loan to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code. Except as provided in the Funding Loan Agreement and this Borrower Loan Agreement, the Borrower shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under this Agreement or the Borrower Note relating to the Funding Loan, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Funding Loan, unless the Borrower has obtained in each case a Bond Counsel No Adverse Affect Opinion with respect to such action, a copy of which shall be provided to the Governmental Lender and the Funding Lender. The Borrower shall not, at any time prior to the final maturity of the Funding Loan, invest or cause any Gross Proceeds to be invested in any investment (or to use Gross Proceeds to replace money so invested), if, as a result of such investment the Yield of all investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such investment exceeds the Yield of the Funding Loan to the Maturity Date, except as permitted by Section 148 of the Code and Regulations thereunder or as provided in the Regulatory Agreement. The Borrower further covenants and agrees that it will comply with all applicable requirements of said Section 148 and the rules and Regulations thereunder relating to the Funding Loan and the interest thereon, including the employment of a Rebate Analyst for the calculation of Rebate Amounts to the United States Treasury Department. The Borrower agrees that it will cause the Rebate Analyst to calculate the Rebate Amounts prior to the Computation Date, annually not later than forty-five days after the anniversary of the Closing Date and subsequent to the Computation Date, not later than forty-five days after the fifth anniversary of the Closing Date and each five years thereafter and agrees that the Borrower will pay all costs associated therewith.

(e) No Federal Guarantee. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Borrower shall not take or omit to take any action which would cause the Funding Loan to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(f) Representations. The Borrower has supplied or caused to be supplied to Bond Counsel all documents, instruments and written information requested by Bond Counsel, and all such documents, instruments and written information supplied by or on behalf of the Borrower at the request of Bond Counsel, which have been reasonably relied upon by Bond Counsel in rendering its opinion with respect to the exclusion from gross income of the interest on the Funding Loan for federal income tax purposes, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein in order to make the information provided therein, in light of the circumstances under which such information was provided, not misleading, and the Borrower is not aware of any other pertinent information which Bond Counsel has not requested.

(g) Qualified Residential Rental Project. The Borrower hereby covenants and agrees that the Project will be operated as a "qualified residential rental project" within the meaning of Section 142(d) of the Code, on a continuous basis during the longer of the Qualified Project Period (as defined in the Regulatory Agreement) or any period during which any portion of the Funding Loan remains outstanding, to the end that the interest on the Funding Loan shall be excluded from gross income for federal income tax purposes. The Borrower hereby covenants and agrees, continuously during the Qualified Project Period, to comply with all the provisions of the Regulatory Agreement.

(h) Information Reporting Requirements. The Borrower will comply with the information reporting requirements of Section 149(e)(2) of the Code requiring certain information regarding the Funding Loan to be filed with the Internal Revenue Service within prescribed time limits.

(i) Funding Loan Not a Hedge Bond. The Borrower covenants and agrees that not more than 50% of the proceeds of the Funding Loan will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of Section 149(f)(3)(A)(ii) of the Code, and the Borrower reasonably expects that at least 85% of the spendable proceeds of the Funding Loan will be used to carry out the governmental purposes of the Funding Loan within the three-year period beginning on the Closing Date.

(j) Termination of Restrictions. Although the parties hereto recognize that, subject to the provisions of the Regulatory Agreement, the provisions of this Agreement shall terminate in accordance with Section 12.23 of this Agreement, the parties hereto recognize that pursuant to the Regulatory Agreement, certain requirements, including the requirements incorporated by reference in this Section 7.23, may continue in effect beyond the term hereof.

(k) Public Approval. The Borrower covenants and agrees that the proceeds of the Funding Loan will not be used in a manner that deviates in any substantial degree from the Project described in the written notice of a public hearing regarding the Funding Loan.

(l) 40/60 Test Election. The Borrower and the Governmental Lender hereby elect to apply the requirements of Section 142(d)(1)(B) to the Project. The Borrower hereby represents, covenants and agrees, continuously during the Qualified Project Period, to comply with all the provisions of the Regulatory Agreement.

(m) Modification of Tax Covenants. Subsequent to the origination of the Funding Loan and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Funding Loan Agreement), this Section 7.23 of this Borrower Loan Agreement may not be amended, changed, modified, altered or terminated except as permitted herein and by the Funding Loan Agreement and with the written consent of the Governmental Lender and the Funding Lender. Anything contained in this Agreement or the Funding Loan Agreement to the contrary notwithstanding, the Governmental Lender, the Funding Lender and the Borrower hereby agree to amend this Borrower Loan Agreement and, if appropriate, the Funding Loan Agreement and the Regulatory Agreement, to the extent required, in the opinion of Bond Counsel, in order for interest on the Funding Loan to remain excludable from gross income for federal income tax purposes. The party requesting such amendment, which may include the Funding Lender, shall notify the other parties to this Borrower Loan Agreement of the proposed amendment and send a copy of such requested amendment to Bond Counsel. After review of such proposed amendment, Bond Counsel shall render to the Funding Lender and the Governmental Lender an opinion as to the effect of such

proposed amendment upon the includability of interest on the Funding Loan in the gross income of the recipient thereof for federal income tax purposes. The Borrower shall pay all necessary fees and expenses incurred with respect to such amendment. The Borrower, the Governmental Lender and, where applicable, the Funding Lender per written instructions from the Governmental Lender, shall execute, deliver and, if applicable, the Borrower shall file of record, any and all documents and instruments, including without limitation, an amendment to the Regulatory Agreement, with a file-stamped copy to the Funding Lender, necessary to effectuate the intent of this Section 7.23, and the Borrower and the Governmental Lender hereby appoint the Funding Lender as their true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Governmental Lender, as is applicable, any such document or instrument (in such form as may be approved by and upon instruction of Bond Counsel) if either the Borrower or the Governmental Lender defaults in the performance of its obligation under this Section 7.23; provided, however, that the Funding Lender shall take no action under this Section 7.23 without first notifying the Borrower or the Governmental Lender, as is applicable, of its intention to take such action and providing the Borrower or the Governmental Lender, as is applicable, a reasonable opportunity to comply with the requirements of this Section 7.23.

The Borrower irrevocably authorizes and directs the Funding Lender and any other agent designated by the Governmental Lender to make payment of such amounts from funds of the Borrower, if any, held by the Funding Lender, or any agent of the Governmental Lender or the Funding Lender. The Borrower further covenants and agrees that, pursuant to the requirements of Section 1.148-1(b) of the Regulations, it (or any related person contemplated by such regulations) will not purchase interests in the Funding Loan in an amount related to the amount of the Borrower Loan.

Section 7.24 Payment of Rebate.

(a) Arbitrage Rebate. The Borrower agrees to cause the Rebate Analyst to take all steps necessary to compute and Borrower shall pay any rebatable arbitrage in accordance with Section 148(f) of the Code including:

(i) Delivery of Documents and Money on Computation Dates. The Borrower will deliver to the Servicer, within 45 days after each Computation Date:

1. a statement, signed by the Borrower, stating the Rebate Amount as of such Computation Date;

2. if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any "previous rebate payments" made to the United States (as that term is used in Section 1.148-3(f)(1) of the Regulations), or (2) if such Computation Date is the final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such final Computation Date, less any "previous rebate payments" made to the United States (as that term is used in Section 1.148-3(f)(1) of the Regulations); and

3. an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

(ii) Correction of Underpayments. If the Borrower shall discover or be notified as of any date that any payment paid to the United States Treasury pursuant to this Section 7.24 of an amount described in Section 7.24(a)(i) or above shall have failed to satisfy any requirement of Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Borrower, the Governmental Lender or the Funding Lender), the Borrower shall (1) pay to the Funding Lender and cause the Funding Lender to pay to the United States Treasury from the Rebate Fund the underpayment of the Rebate Amount, together with any penalty and/or interest due, as specified in Section 1.148-3(h) of the Regulations, within 175 days after any discovery or notice and (2) deliver or cause the Funding Lender to deliver to the Internal Revenue Service an Internal Revenue Service Form 8038-T completed as of such date. If such underpayment of the Rebate Amount, together with any penalty and/or interest due, is not paid to the United States Treasury in the amount and manner and by the time specified in the Regulations, the Borrower shall take such steps as are necessary to prevent the Funding Loan from becoming an arbitrage bond within the meaning of Section 148 of the Code.

(iii) Records. The Borrower shall retain all of its accounting records relating to the funds established under this Borrower Loan Agreement and all calculations made in preparing the statements described in this Section 7.24 for at least six years after the later of the final maturity of the Funding Loan or the date the Funding Loan is retired in full.

(iv) Costs. The Borrower agrees to pay all of the fees and expenses of a nationally recognized Bond Counsel, the Rebate Analyst, a certified public accountant and any other necessary consultant employed by the Borrower or the Funding Lender in connection with computing the Rebate Amount.

(v) No Diversion of Rebate Arbitrage Rebate. The Borrower will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Funding Loan which is not purchased at Fair Market Value or includes terms that the Borrower would not have included if the Funding Loan were not subject to Section 148(f) of the Code.

(vi) Modification of Requirements. If at any time during the term of this Agreement, the Governmental Lender, the Funding Lender or the Borrower desires to take any action which would otherwise be prohibited by the terms of this Section 7.24, such Person shall be permitted to take such action if it shall first obtain and provide to the other Persons named herein a Bond Counsel No Adverse Affect Opinion with respect to such action.

(b) Rebate Fund. The Servicer shall establish and hold a separate fund designated as the "Rebate Fund." The Servicer shall deposit or transfer to the credit of the Rebate Fund each amount delivered to the Servicer by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto.

(c) Within 15 days after each receipt or transfer of funds to the Rebate Fund, the Servicer shall withdraw from the Rebate Fund and pay to the United States of America the entire balance of the Rebate Fund.

(d) All payments to the United States of America pursuant to this Section shall be made by the Servicer for the account and in the name of the Governmental Entity and shall be paid through the United States Mail (return receipt requested or overnight delivery), addressed to the appropriate Internal Revenue Service Center and accompanied by the appropriate

Internal Revenue Service forms (such forms to be provided to the Servicer by the Borrower or the Rebate Analyst as set forth in the Section 7.24).

(e) Moneys and securities held in the Rebate Fund shall not be deemed funds of the Funding Lender or of the Governmental Lender and are not a part of the Security [?] pledged or otherwise subject to any security interest in favor of the Funding Lender to secure the Funding Loan or any other obligations.

(f) Notwithstanding anything to the contrary in this Borrower Loan Agreement, no payment shall be made to the United States if the Borrower shall furnish to the Governmental Entity and the Funding Lender an opinion of Bond Counsel to the effect that such payment is not required under Section 148(d) and (f) of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Funding Loan. In such event, the Borrower shall be entitled to withdraw funds from the Rebate Fund to the extent the Borrower shall provide a Bond Counsel No Adverse Affect Opinion to the Governmental Entity and the Funding Lender with respect to such withdrawal.

(g) Notwithstanding the foregoing, the computations and payments of rebate amounts referred to in this Section 7.24 need not be made to the extent that neither the Governmental Lender nor the Borrower will thereby fail to comply with any requirements of Section 148(f) of the Code based on a Bond Counsel No Adverse Affect Opinion, a copy of which shall be provided to the Funding Lender.

Section 7.25 Covenants under Funding Loan Agreement. The Borrower will fully and faithfully perform all the duties and obligations which the Governmental Lender has covenanted and agreed in the Funding Loan Agreement to cause the Borrower to perform and any duties and obligations which the Borrower is required in the Funding Loan Agreement to perform. The foregoing will not apply to any duty or undertaking of the Governmental Lender which by its nature cannot be delegated or assigned.

Section 7.26 Notice of Default. The Borrower will advise the Governmental Lender, the Funding Lender and the Servicer promptly in writing of the occurrence of any Default or Loan Agreement Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

Section 7.27 Disclosure Agreement. The Borrower and the Dissemination Agent (as defined in any Continuing Disclosure Agreement) shall enter into any Continuing Disclosure Agreement to provide for the continuing disclosure of information about the Funding Loan, the Borrower and other matters as specifically provided for in such agreement. For the purposes of any Continuing Disclosure Agreement only, the Dissemination Agent shall act as the agent of the Borrower and not as the agent of the Governmental Lender. The consent of the Governmental Lender and the Funding Lender shall be required to each amendment to, or modification of, the Continuing Disclosure Agreement, which consent shall not be unreasonably withheld. The duties and obligations of any Dissemination Agent under any Continuing Disclosure Agreement shall be as set forth in any Continuing Disclosure Agreement, and the Dissemination Agent shall be responsible only for its express duties and obligations set forth in any Continuing Disclosure Agreement. A default under any Continuing Disclosure Agreement shall not be a default under the Funding Loan Agreement, this Borrower Loan Agreement or any of the other Borrower Loan Documents or the Funding Loan Documents.

ARTICLE VIII**NEGATIVE COVENANTS**

Borrower hereby covenants and agrees as follows, which covenants shall remain in effect so long as any Payment Obligation or other obligation of Borrower under any of the other Borrower Loan Documents or the Funding Loan Documents remains outstanding or unperformed. Borrower covenants and agrees that it will not, directly or indirectly:

Section 8.1 Management Agreement. Without first obtaining the Funding Lender's prior Written Consent, enter into the Management Agreement, and thereafter the Borrower shall not, without the Funding Lender's prior Written Consent (which consent shall not be unreasonably withheld) and subject to the Regulatory Agreement: (i) surrender, terminate or cancel the Management Agreement or otherwise replace the Manager or enter into any other management agreement; (ii) reduce or consent to the reduction of the term of the Management Agreement; (iii) increase or consent to the increase of the amount of any charges under the Management Agreement; (iv) otherwise modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect any of its rights and remedies under, the Management Agreement; or (v) suffer or permit the occurrence and continuance of a default beyond any applicable cure period under the Management Agreement (or any successor management agreement) if such default permits the Manager to terminate the Management Agreement (or such successor management agreement).

Section 8.2 Liens. Without the Funding Lender's prior Written Consent, create, incur, assume, permit or suffer to exist any mechanic's, materialmen's or other Lien on any portion of the Project, except Permitted Encumbrances, unless such Lien is bonded or discharged within 30 days after the Borrower first receives notice of such Lien or unless the Borrower is contesting such Lien in accordance with the Security Instrument.

Section 8.3 Dissolution. Dissolve or liquidate, in whole or in part, merge with or consolidate into another Person.

Section 8.4 Change in Business or Operation of Property. Enter into any line of business other than the ownership and operation of the Project, or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business and activities incidental or related thereto or otherwise cease to operate the Project as a multi-family property or terminate such business for any reason whatsoever (other than temporary cessation in connection with construction or rehabilitation, as appropriate, of the Project).

Section 8.5 Debt Cancellation. Cancel or otherwise forgive or release any claim or debt owed to the Borrower by a Person, except for adequate consideration or in the ordinary course of the Borrower's business in its reasonable judgment.

Section 8.6 Assets. Purchase or own any real property or personal property incidental thereto other than the Project.

Section 8.7 Transfers. Make, suffer or permit the occurrence of any Transfer other than a transfer permitted under the Security Instrument, nor transfer any material License required for the operation of the Project.

Section 8.8 Debt. Other than as expressly approved in writing by the Funding Lender, create, incur or assume any indebtedness for borrowed money (including subordinate debt) whether unsecured or secured by all or any portion of the Project or interest therein or in the Borrower or any partner thereof (including subordinate debt) other than (i) the Borrower Payment Obligations, (ii) secured indebtedness incurred pursuant to or permitted by the Borrower Loan Documents, the Funding Loan Documents, the Subordinate Debt documents, and the TIF RDA and (iii) trade payables incurred in the ordinary course of business.

Section 8.9 Assignment of Rights. Without the Funding Lender's prior Written Consent, attempt to (i) assign the Borrower's rights or interest under any Loan Document or Funding Loan Document in contravention of any Loan Document or Funding Loan Document or (ii) surrender the Borrower's fee interest in the Land.

Section 8.10 Principal Place of Business. Change its principal place of business without providing 30 days' prior Written Notice of the change to the Funding Lender and the Servicer.

Section 8.11 Partnership Agreement. Without the Funding Lender's prior written consent (which consent shall not be unreasonably withheld) surrender, terminate, cancel, modify, change, supplement, alter or amend in any material respect, or waive or release in any material respect, any of its rights or remedies under the Partnership Agreement.

Section 8.12 ERISA. Maintain, sponsor, contribute to or become obligated to contribute to, or suffer or permit any ERISA Affiliate of the Borrower to, maintain, sponsor, contribute to or become obligated to contribute to, any Plan, or permit the assets of the Borrower to become "plan assets," whether by operation of law or under regulations promulgated under ERISA.

Section 8.13 No Hedging Arrangements. Without the prior written consent of the Funding Lender or unless otherwise required by this Borrower Loan Agreement, the Borrower will not enter into or guarantee, provide security for or otherwise undertake any form of contractual obligation with respect to any interest rate swap, interest rate cap or other arrangement that has the effect of an interest rate swap or interest rate cap or that otherwise (directly or indirectly, derivatively or synthetically) hedges interest rate risk associated with being a debtor of variable rate debt or any agreement or other arrangement to enter into any of the above on a future date or after the occurrence of one or more events in the future.

ARTICLE IX

INSURANCE; CASUALTY; AND CONDEMNATION

Section 9.1 Insurance. The Borrower, at its sole cost, for the mutual benefit of the Borrower and the Funding Lender, shall obtain and maintain during the Term the policies of insurance required by Section 19 of the Security Instrument. All policies of insurance required pursuant to this Section shall conform to the requirements set forth in the Security Instrument. The Borrower shall deliver to the Servicer a certified copy of each policy within 30 days after its effective date.

Section 9.2 Casualty. If the Project is damaged or destroyed, in whole or in any material respect, by fire or other casualty (a "Casualty"), the Borrower shall give prompt notice thereof to Governmental Lender, Funding Lender and the Servicer.

Section 9.3 Condemnation. The Borrower shall promptly give Lender, Funding Lender and the Servicer notice of the actual or threatened commencement of any Condemnation proceeding affecting the Project and shall deliver to the Governmental Lender, Funding Lender and the Servicer copies of any and all papers served in connection with such Condemnation.

ARTICLE X

DEFAULTS

Section 10.1 Loan Agreement Defaults. Each of the following events shall constitute a "Borrower Loan Agreement Default":

(a) failure by the Borrower to pay any Loan Payment or Additional Payment on the date such payment is due;

(b) failure by the Borrower to prepay the Borrower Note on the date such payment is due as required by Section 2.9;

(c) failure by or on behalf of the Borrower to pay when due any amount (other than as provided in subsections (a) or (b) above or elsewhere in this Section 10.1) required to be paid by the Borrower under this Loan Agreement, the Borrower Note, the Security Instrument or any of the other Borrower Loan Documents or Funding Loan Documents, including a failure to repay any amounts that have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings, which default remains uncured for a period of five (5) days after Written Notice thereof shall have been given to the Borrower;

(d) a Transfer other than a transfer permitted under the Security Instrument occurs;

(e) any representation or warranty made by any of the Borrower, the Guarantor or the General Partner in any Loan Document or Funding Loan Document to which it is a party, or in any report, certificate, financial statement or other instrument, agreement or document furnished by the Borrower, the Guarantor or the General Partner in connection with any Loan Document or Funding Loan Document, shall be false or misleading in any material respect as of the Closing Date;

(f) the Borrower shall make a general assignment for the benefit of creditors, or shall generally not be paying its debts as they become due;

(g) an event of default of the Borrower as defined or described in any other Loan Document or Funding Loan Document to which the Borrower is a party occurs and any applicable notice and or cure period has expired;

(h) the Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Borrower Loan Agreement (other than as provided in paragraphs (a)-(g) above or elsewhere in this Section 10.1) for 30 days after notice from the Governmental Lender, the Funding Lender or the Servicer in the case of such other Default; provided, however, that if such other Default under this paragraph (h) is susceptible of cure but cannot reasonably be cured within such thirty (30) day period, and the Borrower shall have commenced to cure such Default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an

additional period of time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed 60 days;

(i) the Borrower Controlling Entity shall make a general assignment for the benefit of creditors, shall generally not be paying its debts as they become due, or an Act of Bankruptcy with respect to the Borrower Controlling Entity shall occur, unless in all cases the Borrower Controlling Entity is replaced with a substitute Borrower Controlling Entity that satisfies the requirements of Section 21 of the Security Instrument; which, in the case of a non-profit Borrower Controlling Entity, may be replaced within sixty (60) days of such event with another non-profit Borrower Controlling Entity acceptable to the Funding Lender, in which case no Loan Agreement Default shall be deemed to have occurred;

(j) a default shall occur under any of the Subordinate Loan Documents, the Construction Funding Agreement or the TIF RDA, after the expiration of all applicable notice and cure periods that may be contained therein.

Section 10.2 Remedies.

Section 10.2.1 Acceleration. Upon the occurrence of an Event of Default (other than an Event of Default described in paragraph (f) or (g) of Section 10.1) and at any time and from time to time thereafter, as long as such Event of Default continues to exist, in addition to any other rights or remedies available to the Governmental Lender or the Funding Lender pursuant to the Borrower Loan Documents or at law or in equity, the Funding Lender shall, take such action, without notice or demand, as the Funding Lender deems advisable to protect and enforce its rights against the Borrower and in and to the Project, including upon written notice to Borrower, declaring the Borrower Payment Obligations to be immediately due and payable (including, without limitation, the principal of, Prepayment Premium, if any, and interest on and all other amounts due on the Borrower Note to be immediately due and payable), and apply such payment of the Borrower Payment Obligations to the prepayment of the Funding Loan pursuant to Section 3.1 of the Funding Loan Agreement; and upon any Event of Default described in paragraph (f) or (g) of Section 10.1, the Borrower Payment Obligations shall become immediately due and payable at the Funding Lender's election, in the Funding Lender's sole discretion (as the case may be), without notice or demand, and the Borrower hereby expressly waives any such notice or demand, anything contained in any Loan Document to the contrary notwithstanding. Notwithstanding anything herein to the contrary, enforcement of remedies hereunder and under the Funding Loan Agreement shall be controlled by the Funding Lender.

Section 10.2.2 Remedies Cumulative. Upon the occurrence of a Borrower Loan Agreement Default, all or any one or more of the rights, powers, privileges and other remedies available to the Funding Lender against the Borrower under the Borrower Loan Documents or at law or in equity may be exercised by the Funding Lender, at any time and from time to time, whether or not all or any of the Borrower Payment Obligations shall be declared due and payable, and whether or not the Funding Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Borrower Loan Documents. Any such actions taken by the Funding Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as the Funding Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the Funding Lender permitted by law, equity or contract or as set forth in the Borrower Loan Documents. Without limiting the generality of the foregoing, the Borrower

agrees that if a Borrower Loan Agreement Default is continuing, all Liens and other rights, remedies or privileges provided to the Funding Lender shall remain in full force and effect until they have exhausted all of its remedies, the Security Instrument has been foreclosed, the Project has been sold and/or otherwise realized upon satisfaction of the Borrower Payment Obligations or the Borrower Payment Obligations has been paid in full. To the extent permitted by applicable law, nothing contained in any Loan Document shall be construed as requiring the Funding Lender to resort to any portion of the Project for the satisfaction of any of the Borrower Payment Obligations in preference or priority to any other portion, and the Funding Lender may seek satisfaction out of the entire Project or any part thereof, in its absolute discretion.

Notwithstanding any provision herein to the contrary, the Governmental Lender and the Funding Lender each agrees that any cure of any default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 10.2.3 Delay. No delay or omission to exercise any remedy, right, power accruing upon a Borrower Loan Agreement Default, or the granting of any indulgence or compromise by the Funding Lender shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Loan Agreement Default shall not be construed to be a waiver of any subsequent Default or Loan Agreement Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Borrower Loan Agreement, the Funding Lender reserves the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the foreclosure of the Security Instrument to the extent necessary to foreclose on other part of the Project, the Rents, the funds or any other collateral.

Section 10.2.4 Funding Lender's Right to Perform the Obligations. If the Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Borrower Loan Documents or the Funding Loan Documents, then while any Loan Agreement Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Funding Lender may have because of such Loan Agreement Default, the Funding Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower, and shall have the right to enter upon the Project for such purpose and to take all such action thereon and with respect to the Project as it may deem necessary or appropriate. If the Funding Lender shall elect to pay any sum due with reference to the Project, the Funding Lender may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Borrower Loan Documents and the Funding Loan Documents, the Funding Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. All sums paid by the Funding Lender pursuant to this Section 10.2.4, and all other sums expended by the Funding Lender, to which it shall be entitled to be indemnified, together with interest thereon at the Default Rate from the date of such payment or expenditure until paid, shall constitute additions to all amounts payable with respect to the Borrower Loan, shall be secured by the Borrower Loan Documents and the Funding Loan Documents and shall be paid by the Borrower to the Funding Lender upon demand.

Section 10.2.5 Abatement of Disbursements. Notwithstanding any provision to the contrary herein or any of the other Borrower Loan Documents or the Funding Loan Documents, Funding Lender's obligation to make further Disbursements shall abate (i) during the continuance of any Default, (ii) after any disclosure to Funding Lender of any fact or circumstance that, absent such disclosure, would cause any representation or warranty of Borrower to fail to be true and correct in all material respects, unless and until Funding Lender elects to permit further Disbursements notwithstanding such event or circumstance; and (iii) upon the occurrence of any Event of Default.

Section 10.2.6 Completion of Improvements. Upon the occurrence of any Event of Default, Funding Lender shall have the right to cause an independent contractor selected by Funding Lender to enter into possession of the Mortgaged Property and to perform any and all work and labor necessary for the completion of the construction or rehabilitation of the Project substantially in accordance with the Plans and Specifications, if any, and to perform Borrower's obligations under this Borrower Loan Agreement. All sums expended by Funding Lender for such purposes shall be deemed to have been disbursed to and borrowed by Borrower and shall be secured by the Security Documents.

Section 10.2.7 Right to Directly Enforce. Notwithstanding any other provision hereof to the contrary, the Funding Lender shall have the right to directly enforce all rights and remedies hereunder with or without involvement of the Governmental Lender, provided that only the Governmental Lender may enforce the Unassigned Rights and Funding Lender shall not impair Governmental Lender's enforcement of Unassigned Rights.

It is the intention of the parties hereto that upon the occurrence and continuance of a Borrower Loan Agreement Default, rights and remedies may be pursued pursuant to the terms of the Borrower Loan Documents and the Funding Loan Documents. The parties hereto acknowledge that, among the possible outcomes to the pursuit of such remedies, is the situation where the Funding Lender assignees or designees becomes the owner of the Project and assumes the obligations identified above, and the Borrower Note, the Borrower Loan and the other Borrower Loan Documents and Funding Loan Documents remain outstanding.

ARTICLE XI

SPECIAL PROVISIONS

Section 11.1 Sale of Borrower Note and Secondary Market Transaction.

Section 11.1.1 Cooperation. Subject to the restrictions of Section 2.4(b) of the Funding Loan Agreement, at the Funding Lender's or the Servicer's request (to the extent not already required to be provided by the Borrower under this Borrower Loan Agreement), the Borrower shall use reasonable efforts to satisfy the market standards to which the Funding Lender or the Servicer customarily adheres or which may be reasonably required in the marketplace or by the Funding Lender or the Servicer in connection with one or more sales or assignments of all or a portion of the Borrower Loan or participations therein or securitizations of single or multi-class securities (the "Securities") secured by or evidencing ownership interests in all or a portion of the Borrower Loan (each such sale, assignment and/or securitization, a "Secondary Market Transaction"); provided that neither the Borrower nor the Governmental Lender shall incur any third party or other out-of-pocket costs and expenses in connection with a Secondary Market Transaction, including the costs associated with the delivery of any Provided Information or any opinion required in connection therewith, and all such costs shall be paid by

the Funding Lender or the Servicer, and shall not materially modify Borrower's rights or obligations. Without limiting the generality of the foregoing, the Borrower shall, so long as the Borrower Loan is still outstanding:

(a) (i) provide such financial and other information with respect to the Borrower Loan, and with respect to the Project, the Borrower, the Manager, the contractor of the Project or the Borrower Controlling Entity, (ii) provide financial statements, audited, if available, relating to the Project with customary disclaimers for any forward looking statements or lack of audit, and (iii), at the expense of the Funding Lender or the Servicer, perform or permit or cause to be performed or permitted such site inspection, appraisals, surveys, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase II's), engineering reports and other due diligence investigations of the Project, as may be reasonably requested from time to time by the Funding Lender or the Servicer or the Rating Agencies or as may be necessary or appropriate in connection with a Secondary Market Transaction or Exchange Act requirements (the items provided to the Funding Lender or the Servicer pursuant to this paragraph (a) (i) and (ii) being called the "Provided Information"), together, if customary, with appropriate verification of and/or consents to the Provided Information through letters of auditors or opinions of counsel of independent attorneys acceptable to the Funding Lender or the Servicer and the Rating Agencies;

(b) make such representations and warranties as of the closing date of any Secondary Market Transaction with respect to the Project, the Borrower, the Borrower Loan Documents and the Funding Loan Documents reasonably acceptable to the Funding Lender or the Servicer, consistent with the facts covered by such representations and warranties as they exist on the date thereof; and

(c) execute such amendments to the Borrower Loan Documents and the Funding Loan Documents to accommodate such Secondary Market Transaction so long as such amendment does not affect the material economic terms of the Borrower Loan Documents and the Funding Loan Documents and is not otherwise adverse to such party in its reasonable discretion.

Section 11.1.2 Use of Information. The Borrower understands that certain of the Provided Information and the required records may be included in disclosure documents in connection with a Secondary Market Transaction, including a prospectus or private placement memorandum (each, a "Secondary Market Disclosure Document"), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies and service providers or other parties relating to the Secondary Market Transaction. In the event that the Secondary Market Disclosure Document is required to be revised, the Borrower shall cooperate, subject to Section 11.1.1(c), with the Funding Lender and the Servicer in updating the Provided Information or required records for inclusion or summary in the Secondary Market Disclosure Document or for other use reasonably required in connection with a Secondary Market Transaction by providing all current information pertaining to the Borrower and the Project necessary to keep the Secondary Market Disclosure Document accurate and complete in all material respects with respect to such matters. The Borrower hereby consents to any and all such disclosures of such information.

Section 11.1.3 Borrower Obligations Regarding Secondary Market Disclosure Documents. In connection with a Secondary Market Disclosure Document, the Borrower shall provide, or in the case of a Borrower-engaged third party such as the Manager, cause it to provide, information reasonably requested by the Funding Lender pertaining to the Borrower,

the Project or such third party (and portions of any other sections reasonably requested by the Funding Lender pertaining to the Borrower, the Project or the third party). The Borrower shall, if requested by the Funding Lender and the Servicer, certify in writing that the Borrower has carefully examined those portions of such Secondary Market Disclosure Document, pertaining to the Borrower, the Project or the Manager, and such portions (and portions of any other sections reasonably requested and pertaining to the Borrower, the Project or the Manager) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; provided that the Borrower shall not be required to make any representations or warranties regarding any Provided Information obtained from a third party except with respect to information it provided to such parties. Furthermore, the Borrower hereby indemnifies the Funding Lender, the Governmental Lender, and the Servicer for any Liabilities to which any such parties may become subject to the extent such Liabilities arise out of or are based upon the use of the Provided Information provided pursuant to Section 11.1.2(a)(i) and (ii) in a Secondary Market Disclosure Document.

Section 11.1.4 Borrower Indemnity Regarding Filings. In connection with filings under the Exchange Act or the Securities Act, the Borrower shall (i) indemnify Funding Lender, the Governmental Lender and the underwriter group for any securities (the "Underwriter Group") and all officials, employees and agents of any of them for any Liabilities to which Funding Lender, the Servicer or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information provided pursuant to Section 11.1.2(a)(i) and (ii) of a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in the light of the circumstances under which they were made not misleading and (ii) reimburse the Funding Lender, the Servicer, the Underwriter Group and other indemnified parties listed above for any legal or other expenses reasonably incurred by the Funding Lender, the Servicer or the Underwriter Group in connection with defending or investigating the Liabilities; provided that the Borrower shall not provide any indemnification regarding any Provided Information obtained from unrelated third parties except with respect to information it provided to such parties.

Section 11.1.5 Indemnification Procedure. Promptly after receipt by an indemnified party under Sections 11.1.3 and 11.1.4 of notice of the commencement of any action for which a claim for indemnification is to be made against the Borrower, such indemnified party shall notify the Borrower in writing of such commencement, but the omission to so notify the Borrower will not relieve the Borrower from any liability that it may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the Borrower. In the event that any action is brought against any indemnified party, and it notifies the Borrower of the commencement thereof, the Borrower will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by Written Notice delivered to the indemnified party promptly after receiving the aforesaid notice of commencement, to assume the defense thereof with counsel selected by the Borrower and reasonably satisfactory to such indemnified party in its sole discretion. After notice from the Borrower to such indemnified party under this Section 11.1.5, the Borrower shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnified party shall settle or compromise any claim for which the Borrower may be liable hereunder without the prior Written Consent of the Borrower. The obligations of the Borrower under Sections 11.1.3 and 11.1.4 shall survive the termination or expiration of this Agreement

and the repayment of the Borrower Loan and shall continue in full force and effect so long as the possibility of such claim, action or suit exists.

Section 11.1.6 Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 11.1.4 is for any reason held to be unenforceable by an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 11.1.4, the Borrower shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the indemnified parties and the Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. The parties hereto hereby agree that it may not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 Notices. All notices, consents, approvals and requests required or permitted hereunder or under any other Loan Document or Funding Loan Document (a "notice") shall be given in the manner and under the conditions set forth in the Funding Loan Agreement, addressed to the appropriate party at the address set forth in Section 11.1 of the Funding Loan Agreement.

Section 12.2 Brokers and Financial Advisors. The Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the Borrower Loan, other than those disclosed to the Funding Lender and whose fees shall be paid by the Borrower pursuant to separate agreements. The Borrower and the Funding Lender shall indemnify and hold the other harmless from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from a claim by any Person that such Person acted on behalf of the indemnifying party in connection with the transactions contemplated herein. The provisions of this Section 12.2 shall survive the expiration and termination of this Borrower Loan Agreement and the repayment of the Borrower Payment Obligations.

Section 12.3 Survival. This Borrower Loan Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by the Governmental Lender of the Borrower Loan and the execution and delivery to the Governmental Lender of the Borrower Note and the assignment of the Borrower Note to the Funding Lender, and shall continue in full force and effect so long as all or any of the Borrower Payment Obligations is unpaid. All the Borrower's covenants and agreements in this Borrower Loan Agreement shall inure to the benefit of the respective legal representatives, successors and assigns of the Governmental Lender, the Funding Lender and the Servicer.

Section 12.4 Governing Law; Consent to Jurisdiction and Venue. This Borrower Loan Agreement shall be governed by the laws of the State. Borrower agrees that any controversy arising under or in relation to the Borrower Note, this Borrower Loan Agreement, the Security Instrument, or any other Loan Document may be litigated in the State. The state and federal courts and authorities with jurisdiction in the State shall have jurisdiction over all controversies that shall arise under or in relation to the Borrower Note, any security for the Borrower Loan, or any other Loan Document.

Section 12.5 Modification, Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Borrower Loan Agreement or of any other Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to or demand on the Borrower shall entitle the Borrower to any other or future notice or demand in the same, similar or other circumstances.

Section 12.6 Delay Not a Waiver; Disbursements Do Not Constitute a Waiver. Neither any failure nor any delay on the part of the Funding Lender or the Servicer in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder, or under any other Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under any Loan Document or Funding Loan Document, the Funding Lender and the Servicer shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under the Borrower Loan Documents or Funding Loan Document, or to declare an Event of Default for failure to effect prompt payment of any such other amount. Provided further, no Disbursement shall constitute a waiver of any conditions to Funding Lender's obligation to make further Disbursements nor, in the event Borrower is unable to satisfy any such conditions, shall any such waiver have the effect of precluding Funding Lender from thereafter declaring such inability to constitute a Default or Event of Default under this Borrower Loan Agreement.

Section 12.7 TRIAL BY JURY. TO THE EXTENT PERMITTED BY LAW, THE BORROWER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE BORROWER LOAN DOCUMENTS OR THE FUNDING LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE BORROWER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. THE GOVERNMENTAL LENDER, THE FUNDING LENDER OR THE SERVICER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY THE BORROWER. THIS SECTION IN NO WAY AFFECTS THE RIGHT OF GOVERNMENTAL LENDER TO ELECT A TRIAL BY JURY.

Section 12.8 Headings. The Section headings in this Borrower Loan Agreement are included herein for convenience of reference only and shall not constitute a part of this Borrower Loan Agreement for any other purpose.

Section 12.9 Severability. Wherever possible, each provision of this Borrower Loan Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Borrower Loan Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Borrower Loan Agreement.

Section 12.10 Preferences. The Funding Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by the Borrower to any portion of the Borrower Payment Obligations. To the extent the Borrower makes a payment to the Funding Lender or the Servicer, or the Funding Lender or the Servicer receives proceeds of any collateral, which is in whole or part subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Borrower Payment Obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by the Funding Lender or the Servicer.

Section 12.11 Waiver of Notice. The Borrower shall not be entitled to any notices of any nature whatsoever from the Funding Lender or the Servicer except with respect to matters for which this Borrower Loan Agreement or any other Loan Document specifically and expressly provides for the giving of notice by the Funding Lender or the Servicer, as the case may be, to the Borrower and except with respect to matters for which the Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. The Borrower hereby expressly waives the right to receive any notice from the Governmental Lender, Funding Lender or the Servicer, as the case may be, with respect to any matter for which no Borrower Loan Document specifically and expressly provides for the giving of notice by the Governmental Lender, the Funding Lender or the Servicer to the Borrower.

Section 12.12 Prior Agreements. This Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the Borrower Loan and the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Borrower Loan Agreement and the other Borrower Loan Documents and the Funding Loan Documents.

Section 12.13 Offsets, Counterclaims and Defenses. The Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by the Funding Lender or the Servicer with respect to a Loan Payment. Any assignee of Funding Lender's interest in and to the Borrower Loan Documents or the Funding Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses that are unrelated to the Borrower Loan Documents or the Funding Loan Documents which the Borrower may otherwise have against any assignor of such documents, and no such unrelated offset, counterclaim or defense shall be interposed or asserted by the Borrower in any action or proceeding brought by any such assignee upon such documents, and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Borrower.

Section 12.14 Publicity. The Funding Lender and the Servicer (and any Affiliates of either party) shall have the right to issue press releases, advertisements and other promotional materials describing the Funding Lender's or the Servicer's participation in the making of the Borrower Loan or the Borrower Loan's inclusion in any Secondary Market Transaction effectuated by the Funding Lender or the Servicer or one of its or their Affiliates. All news releases, publicity or advertising by the Borrower or its Affiliates through any media intended to reach the general public, which refers to the Borrower Loan Documents or the Funding Loan Documents, the Borrower Loan, the Funding Lender or the Servicer in a Secondary Market Transaction, shall be subject to the prior Written Consent of the Funding Lender or the Servicer, as applicable.

Section 12.15 No Usury. The Borrower, the Funding Lender and the Servicer intend at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits a party to contract for, charge, take, reserve or receive a greater amount of interest than under state law) and that this Section 12.15 shall control every other agreement in the Borrower Loan Documents or the Funding Loan Documents. If Legal Requirements law is ever judicially interpreted so as to render usurious any amount called for under the Borrower Note or any other Loan Document, or contracted for, charged, taken, reserved or received with respect to the Borrower Payment Obligations, or if the Funding Lender's acceleration of the maturity of the Borrower Loan or any prepayment by the Borrower or any premium or Late Charge results in the Borrower having paid any interest in excess of that permitted by Legal Requirements law, then it is the parties' express intent that all excess amounts theretofore collected by the Funding Lender or the Servicer shall be credited against the unpaid principal and all other elements of the Borrower Payment Obligations (or, if the Borrower Payment Obligations has been or would thereby be paid in full, refunded to the Borrower), and the provisions of the Borrower Loan Documents and the Funding Loan Documents immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder. All sums paid or agreed to be paid to the Funding Lender or the Servicer for the use, forbearance or detention of the Borrower Loan shall, to the extent permitted by Legal Requirements law, be amortized, prorated, allocated, and spread throughout the full stated term of the Borrower Loan until payment in full so that the rate or amount of interest on account of the Borrower Loan does not exceed the maximum lawful rate from time to time in effect and applicable to the Borrower Loan for so long as the Borrower Loan is outstanding. Notwithstanding anything to the contrary contained in any Loan Document, it is not the intention of the Funding Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

Section 12.16 Construction of Documents. The parties hereto acknowledge that they were represented by counsel in connection with the negotiation and drafting of the Borrower Loan Documents and the Funding Loan Documents and that the Borrower Loan Documents and the Funding Loan Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

Section 12.17 No Third Party Beneficiaries. The Borrower Loan Documents and the Funding Loan Documents are solely for the benefit of the Governmental Lender, the Funding Lender, the Servicer and the Borrower and, with respect to Sections 11.1.3 and 11.1.4, the Underwriter Group, and nothing contained in any Loan Document shall be deemed to confer upon anyone other than the Governmental Lender, the Funding Lender, the Servicer, and the Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 12.18 Assignment. The Borrower Loan, the Security Instrument, the Borrower Loan Documents and the Funding Loan Documents and all Funding Lender's rights, title, obligations and interests therein may be assigned by the Funding Lender, at any time in its sole discretion, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise, if and only if, Funding Lender has satisfied all of the requirements set forth in the Funding Loan Agreement, with respect to the assignment of Funding Lender's right, title and interest therein. Upon such assignment, all references to Funding Lender in this Borrower Loan Agreement and in any Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of the Funding Lender. Borrower shall accord full recognition to any such assignment, and all rights and remedies of Funding Lender in connection with the interest so assigned shall be as fully enforceable by such assignee as they were by Funding Lender before such assignment. In connection with any proposed assignment, Funding Lender may disclose to the proposed assignee any information that Borrower has delivered, or caused to be delivered, to Funding Lender with reference to Borrower, General Partner, Guarantor or any Affiliate, or the Project, including information that Borrower is required to deliver to Funding Lender pursuant to this Borrower Loan Agreement, provided that such proposed assignee agrees to treat such information as confidential. The Borrower may not assign its rights, interests or obligations under this Borrower Loan Agreement or under any of the Borrower Loan Documents or Funding Loan Documents, or Borrower's interest in any moneys to be disbursed or advanced hereunder, except only as may be expressly permitted hereby.

Section 12.19 Assignment to Funding Lender Upon Prepayment of Funding Loan by Governmental Lender. The Borrower Loan, the Security Instrument, and all Funding Lender's rights, title, obligations and interests therein, as assigned by Governmental Lender to Funding Lender to secure the Funding Loan Agreement, shall be assigned by the Funding Lender to the Governmental Lender upon voluntary prepayment of the Funding Loan by the Governmental Lender in accordance with Section 3.2 of the Funding Loan Agreement. Upon such assignment, all references to Funding Lender in this Borrower Loan Agreement and in any Loan Document shall be deemed to refer to Governmental Lender and Governmental Lender shall thereafter stand in the place of the Funding Lender, including for purposes of exercising remedies under Article X of this Borrower Loan Agreement. Borrower shall accord full recognition to any such assignment, and all rights and remedies of Funding Lender in connection with the interest so assigned shall be as fully enforceable by Governmental Lender as they were by Funding Lender before such assignment.

Section 12.20 Consents. Wherever in this Borrower Loan Agreement it is provided that the Funding Lender or the Servicer shall, may or must give its approval or consent, or execute supplemental agreements or schedules, the Funding Lender or the Servicer may not unreasonably or arbitrarily withhold, delay or refuse such approvals or consents, unless otherwise provided herein or in any of the other Borrower Loan Documents or the Funding Loan Documents.

Section 12.21 Funding Lender and Servicer Not in Control; No Partnership. None of the covenants or other provisions contained in this Borrower Loan Agreement shall, or shall be deemed to, give the Funding Lender, the Governmental Lender or the Servicer the right or power to exercise control over the affairs or management of the Borrower, the power of the Funding Lender, the Governmental Lender and the Servicer being limited to the rights to exercise the remedies referred to in the Borrower Loan Documents and the Funding Loan Documents. The relationship between the Borrower, the Governmental Lender and the Funding Lender and the Servicer is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Borrower Loan Documents or the Funding Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between the Borrower and the Funding Lender, the Governmental Lender or the Servicer or to create an equity in the Project in the Funding Lender, the Governmental Lender or the Servicer. Neither the Funding Lender nor the Servicer undertakes or assumes any responsibility or duty to the Borrower or to any other person with respect to the Project or the Borrower Loan, except as expressly provided in the Borrower Loan Documents or the Funding Loan Documents; and notwithstanding any other provision of the Borrower Loan Documents and the Funding Loan Documents: (1) the Funding Lender, the Governmental Lender and the Servicer are not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of the Borrower or its stockholders, members, or partners and the Funding Lender, the Governmental Lender and the Servicer do not intend to ever assume such status; (2) the Funding Lender, the Governmental Lender and the Servicer shall in no event be liable for any the Borrower Payment Obligations, expenses or losses incurred or sustained by the Borrower; and (3) the Funding Lender, the Governmental Lender and the Servicer shall not be deemed responsible for or a participant in any acts, omissions or decisions of the Borrower, the Borrower Controlling Entities or its stockholders, members, or partners. The Funding Lender, the Governmental Lender and the Servicer and the Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between the Funding Lender, the Governmental Lender, the Servicer and the Borrower, or to create an equity in the Project in the Funding Lender, the Governmental Lender or the Servicer, or any sharing of liabilities, losses, costs or expenses.

Section 12.22 Time of the Essence. Time is of the essence with respect to this Borrower Loan Agreement.

Section 12.23 Release. The Borrower hereby acknowledges that it is executing this Borrower Loan Agreement and each of the Borrower Loan Documents and the Funding Loan Documents to which it is a party as its own voluntary act free from duress and undue influence.

Section 12.24 Term of Loan Agreement. This Borrower Loan Agreement shall be in full force and effect until all payment obligations of the Borrower hereunder have been paid in full and the Borrower Loan and the Funding Loan have been retired or the payment thereof has been provided for; except that on and after payment in full of the Borrower Note, this Borrower Loan Agreement shall be terminated, without further action by the parties hereto; provided, however, that the obligations of the Borrower under Sections 7.12, 7.15, 7.16, 11.1.3, 11.1.4, 11.1.5, 11.1.6 and 12.25 hereof shall survive the termination of this Borrower Loan Agreement.

Section 12.25 Reimbursement of Expenses. If, upon or after the occurrence of any Loan Agreement Default or Default, the Funding Lender, the Governmental Lender or the Servicer shall employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein, the

Borrower will on demand therefor reimburse the Funding Lender, the Governmental Lender and the Servicer for fees of such attorneys and such other expenses so incurred.

The Borrower's obligation to pay the amounts required to be paid hereunder and under Section 7.15 shall be subordinate to its obligations to make payments under the Borrower Note, and the Borrower's obligations to pay the amounts under this Section.

ARTICLE XIII

LIMITATIONS ON LIABILITY

Section 13.1 Limitation on Liability. Notwithstanding anything to the contrary herein, the liability of the Borrower hereunder and under the other Borrower Loan Documents and the Funding Loan Documents shall be limited to the extent set forth in Section 9 of the Borrower Note, which is incorporated by reference herein and made a part hereof, and except as otherwise set forth in the Borrower Note, the Borrower shall not have any personal liability for the amounts payable under the Borrower Loan Documents and the Funding Loan Documents; provided that such limitation shall not apply to the Borrower in connection with the Borrower's failure to make any payment with respect to (i) any Rebate Amount or (ii) the indemnification provisions of Section 7.16 with respect to the Beneficiary Parties. None of the above limitations on the personal liability of the Borrower shall modify, diminish or discharge the personal liability of any joinder party. Nothing herein or in the Borrower Note shall be deemed to be a waiver of any right which the Governmental Lender, the Funding Lender or the Servicer may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to the Governmental Lender, the Funding Lender and the Servicer under the Borrower Loan Documents or the Funding Loan Documents or to require that all collateral shall continue to secure the amounts due under the Borrower Loan Documents and the Funding Loan Documents.

Section 13.2 Limitation on Liability of Governmental Lender. The Funding Loan, and interest thereon, are special, limited obligations of the Governmental Lender, payable solely from the Security pledged under the Funding Loan Agreement. The Funding Loan is not a general indebtedness of the Governmental Lender or a charge against its general credit or the general credit taxing powers of the State, the Governmental Lender, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the Governmental Lender, and neither the Governmental Lender, the State nor any other political subdivision thereof shall be liable for the payments of principal and interest on the Funding Loan, and the Funding Loan is payable from no other source, but are special, limited obligations of the Governmental Lender, payable solely out of the security pledged hereunder and receipts of the Governmental Lender derived pursuant to this Funding Loan Agreement (and not against any Money due or to become due to the Governmental Lender pursuant to Unassigned Rights). No holder of the Funding Loan or any interest therein has the right to compel any exercise of the taxing power of the State, the Governmental Lender or any other political subdivision thereof to pay the Governmental Loan or the interest thereon.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Funding Loan or for any claim based thereon or any obligation, covenant or agreement in this Funding Loan Agreement against any official of the Governmental Lender, or any official, officer, agent, employee or independent contractor of the Governmental Lender or

any person executing this Borrower Loan Agreement. No covenant, stipulation, promise, agreement or obligation contained in this Borrower Loan Agreement or any other document executed in connection herewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, agent or employee of the Governmental Lender in his or her individual capacity and neither any official of the Governmental Lender nor any officers executing this Borrower Loan Agreement shall be liable personally or be subject to any personal liability or accountability by reason of this Borrower Loan Agreement.

Section 13.3 Waiver of Personal Liability. No member, officer, agent or employee of the Governmental Lender or any director, officer, agent or employee of the Governmental Lender shall be individually or personally liable for the payment of any principal (or prepayment price) of or interest on the Funding Loan or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Borrower Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Borrower Loan Agreement.

Section 13.4 Limitation on Liability of Funding Lender's Officers, Employees, Etc.

(a) None of Funding Lender, nor Governmental Lender, nor any of their respective officers, directors, employees or agents shall be liable or responsible for the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged. Funding Lender's officers, directors, officials, employees and agents shall not be liable for any acts or omissions of Funding Lender. In furtherance and not in limitation of the foregoing, Funding Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, unless acceptance in light of such notice or information constitutes gross negligence or willful misconduct on the part of Funding Lender.

(b) Neither Funding Lender nor Governmental Lender shall be liable to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Project. Neither Funding Lender nor Governmental Lender shall be liable for any debts or claims accruing in favor of any such parties against Borrower or others or against the Mortgaged Property or the Project. Borrower is not and shall not be an agent of Funding Lender for any purpose. Neither Funding Lender nor Governmental Lender is a joint venture partner with Borrower in any manner whatsoever. Prior to default by Borrower under this Borrower Loan Agreement and the exercise of remedies granted herein, neither Funding Lender nor Governmental Lender shall be deemed to be in privity of contract with any contractor or provider of services to the Project, nor shall any payment of funds directly to a contractor, subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by Funding Lender. Approvals granted by Funding Lender or Governmental Lender for any matters covered under this Borrower Loan Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of Borrower.

(c) Any obligation or liability whatsoever of the Funding Lender that may arise at any time under this Borrower Loan Agreement or any other Loan Document shall be satisfied, if at all, out of the Funding Lender's or Governmental Lender's assets only, as applicable. No such

obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the Project or any of the Funding Lender's or Governmental Lender's officials, shareholders, directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

Section 13.5 Delivery of Reports, Etc. The delivery of reports, information and documents to the Funding Lender as provided herein is for informational purposes only and the Funding Lender's receipt of such shall not constitute constructive knowledge of any information contained therein or determinable from information contained therein. The Funding Lender shall have no duties or responsibilities except those that are specifically set forth herein, and no other duties or obligations shall be implied in this Borrower Loan Agreement against the Funding Lender.

ARTICLE XIV

Section 14.1 Incorporation of Exhibits. The following exhibits to this Borrower Loan Agreement are fully incorporated herein:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Borrower Loan Agreement or caused this Borrower Loan Agreement to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

Hairpin Lofts, LLC, an Illinois limited liability company

By: Hairpin Lofts Manager, LLC,
an Illinois limited liability company,
its Manager

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Managing Member

By: _____
Name: _____
Title: _____

LENDER:

CITY OF CHICAGO

By: _____
Name: _____
Title: _____

SEAL

Agreed to and Acknowledged by:

FUNDING LENDER:

CITIBANK, N.A.

By: _____
Name: _____
Title: _____

(Sub)Exhibit "A" referred to in this Borrower Loan Agreement reads as follows:

(Sub)Exhibit "A"
(To Borrower Loan Agreement)

Form Of Multi-Family Permanent Note.

\$(LOAN AMOUNT)

[(INSERT CONVERSION DATE)]

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of CITY OF CHICAGO, the maximum principal sum of [LOAN AMOUNT IN WORDS] \$(LOAN AMOUNT), with interest on the unpaid principal balance from time to time outstanding at the annual rate as set forth on Schedule A.

1. Defined Terms. As used in this Note, the following terms shall have the following definitions:

(a) "Business Day" means any day other than a Saturday, Sunday or any day upon which banks located in New York, New York are permitted or required to be closed.

(b) "First Payment Date" means the first Business Day of the month following the month in which the Conversion Date occurs, or the following month if the Conversion Date is on or after the 20th day of the month.

(c) "Indebtedness" means the principal of, interest on, and any other amounts due at any time under, this Note, the Security Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances to protect the security of the Security Instrument as described in Section 12 of the Security Instrument.

(d) "Lender" means City of Chicago and any subsequent holder of this Note.

(e) "Loan" means the loan evidenced by this Note.

(f) "Loan Agreement" means that certain Borrower Loan Agreement dated _____, 2010, by and between Borrower and Lender.

(g) "Loan Month" means the period commencing on a Loan Payment Date and ending on the day preceding the next succeeding Loan Payment Date (without adjustment in either case for Business Day conventions).

(h) "Loan Payment Date" means the first day of each month (or if not a Business Day, the next Business Day of such month), commencing on the First Payment Date.

(i) "Lock-Out Period" means the period commencing on the date of this Note and ending six (6) months prior to the end of the fifteenth (15th) anniversary of the date of this Note.

(j) "Maturity Date" means the earlier to occur of (i) the date which is fifteen (15) years following the date of this Note, or (ii) any earlier date on which the unpaid principal balance of the Note becomes due and payable, by acceleration or otherwise.

(b) **Form of Deed.** The City shall convey the Property to Anixter by quitclaim deed (the "Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

- (i) the Redevelopment Plan;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) such other title defects as may exist; and
- (vi) any and all exceptions caused by the acts of the Developer or its agents.

(c) **Title and Survey.** The Developer acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating such title commitments (including all search, continuation and later-date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate tax liens attributable to taxes due and payable prior to the Closing Date with respect to the Property, the City shall submit to the County a tax abatement letter and/or file a motion to vacate a tax sale in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall have no further duties with respect to any such taxes. The Developer shall furnish the City with three (3) copies of the survey at Developer's sole cost and expense.

(d) **The Land Closing.** The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless the Developer has satisfied all conditions precedent set forth in this Agreement, unless DCD, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

(e) **Recording Costs.** The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to Anixter.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be [\$12,034,512], to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

[Lender Financing		
City Housing Loan		\$ 6,600,000*
TIF		\$ 5,941,770
Equity (subject to <u>Sections 4.03(b) and 4.06</u>)		
Low Income Housing Tax Credit Equity		\$ 2,537,892

(k) "Minimum Permanent Period Amount" shall have the meaning given to such term in the Loan Agreement.

(l) "Note" means this Multifamily Permanent Note.

(m) "Permanent Period Amount" shall have the meaning given to such term in the Loan Agreement.

(n) "Prepayment Premium Period" commencing on the date of this Note and ending six (6) months prior to the end of the fifteenth (15th) anniversary of the date of this Note.

(o) "Property Jurisdiction" shall have the meaning set forth in Section 17 of this Note.

(p) "Security Instrument" shall have the meaning set forth in Section 5 of this Note.

All other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Loan Agreement.

2. **Address for Payment.** All payments due under this Note shall be payable to Servicer, or, if there is no Servicer, to the office of the Lender, or its successor, or at such other place as may be designated by written notice to Borrower from or on behalf of Lender.

3. **Payment of Principal and Interest.** Principal and interest shall be paid as follows:

(a) Borrower shall pay all amounts due under this Note, including but not limited to the Servicer's Fee, at the times and in the amounts set forth herein. Borrower shall make its payments under this Note in immediately available funds.

(b) Borrower shall pay monthly payments of principal and interest as set forth on Schedule A attached hereto in successive monthly installments commencing on the First Payment Date and continuing on each Loan Payment Date thereafter until and including the Maturity Date.

(c) Any accrued interest remaining past due may, at Lender's discretion, be added to and become part of the unpaid principal balance and shall bear interest at the rate or rates specified in this Note, and any reference below to "accrued interest" shall refer to accrued interest that has not become part of the unpaid principal balance.

(d) Borrower shall pay all unpaid principal of and interest on this Note on the Maturity Date and any other amounts due under subsection 3(a) hereof. The unpaid principal balance shall continue to bear interest after the Maturity Date at the Default Rate set forth in this Note until and including the date on which it is paid in full.

(e) Any regularly scheduled monthly installment of principal and interest that is received by Lender before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due.

(f) Borrower shall make all payments of principal and interest under this Note without relief from valuation and appraisal laws.

4. Application of Payments. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable under this Note in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. Security. The Indebtedness is secured by, among other things, that certain Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of the date of this note, (the "Security Instrument"), and reference is made to the Security Instrument for other rights of Lender as to collateral for the Indebtedness.

6. Acceleration. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, the prepayment premium payable under Section 10, if any, and all other amounts payable under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower (except if notice is required by applicable law, then after such notice). Lender may exercise this option to accelerate regardless of any prior forbearance.

7. Late Charge. If any monthly amount payable under this Note or under the Security Instrument or any other Loan Document is not received by Lender when such amount is due (unless applicable law requires a longer period of time before a late charge may be imposed, in which event, such longer period shall be substituted), Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5.0%) of such amount (unless applicable law requires a lesser amount be charged, in which event such lesser amount shall be substituted). Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Section represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 8. Notwithstanding anything to the contrary in any other Loan Document, if a Servicer has been appointed by Lender, any late charges payable hereunder shall not be remitted to Lender and shall instead be paid directly to Servicer, who shall apply such late charges in accordance with the terms of the applicable servicing agreement.

8. Default Rate. So long as (a) any monthly installment under this Note remains past due, or (b) any other Event of Default has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at a rate (the "Default Rate") equal to the lesser of twelve percent (12.0%) per annum or the maximum interest rate that may be collected from Borrower under applicable law. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate. Borrower also acknowledges that its failure to make timely payments will cause

Lender to incur additional expenses in servicing and processing the Loan, that, during the time that any monthly installment under this Note is delinquent, Lender will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Lender's ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment under this Note is delinquent or any other Event of Default has occurred and is continuing, Lender's risk of nonpayment of this Note will be materially increased and Lender is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate as provided above represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. Limits on Personal Liability.

(a) Except as otherwise provided in this Section 9, neither Borrower nor any of its partners, members and/or managers shall have any personal liability under this Note, the Security Instrument or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Borrower Loan Documents, and Lender's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of Borrower.

(b) Borrower shall be personally liable to Lender for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Lender (the "Losses") as a result of (1) failure of Borrower to pay to Lender upon demand after an Event of Default all Rents to which Lender is entitled under Section 3(a) of the Security Instrument and the amount of all security deposits collected by Borrower from tenants then in residence; (2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Security Instrument; (3) failure of Borrower to comply with Section 14(d) or (e) of the Security Instrument relating to the delivery of books and records, statements, schedules, and reports; (4) fraud or material misrepresentation by Borrower or Guarantor or any general partner, managing member, manager, officer, director, partner, member, agent or employee of Borrower or Guarantor in connection with the application for or creation of the Indebtedness or any request for any action or consent by or on behalf of Lender; (5) failure to apply Rents, first, to the payment of reasonable operating expenses (other than property management fees that are not currently payable pursuant to the terms of an Assignment of Management Agreement or any other Loan Document) and then to amounts ("Debt Service Amounts") payable under this Note, the Security Instrument or any other Loan Document (except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to Rents that are distributed on account of any calendar year if Borrower has paid all operating expenses and Debt Service Amounts for that calendar year); (6) failure of Borrower to comply with the provisions of Section 17(a) of the Security Instrument prohibiting the

commission of waste or allowing the impairment or deterioration of the Mortgaged Property; or (7) failure of Borrower to obtain and maintain any local real estate tax abatement required under the Security Instrument, or the reduction, revocation, cancellation or other termination of such abatement or exemption, as a result of any act or omission by or on behalf of Borrower, Guarantor or any of their respective partners, members, managers, directors, officers, agents, employees or representatives.

(c) For purposes of determining Borrower's personal liability under Section 9(b), all payments made by Borrower or any guarantor of this Note with respect to the Indebtedness and all amounts received by Lender from the enforcement of its rights under the Security Instrument shall be applied first to the portion of the Indebtedness for which Borrower has no personal liability.

(d) Borrower shall become personally liable to Lender for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default: (1) Borrower's acquisition of any property or operation of any business not permitted by Section 33 of the Security Instrument; or (2) a Transfer (including, but not limited to, a lien or encumbrance) that is an Event of Default under Section 21 of the Security Instrument, other than a Transfer consisting solely of the involuntary removal or involuntary withdrawal of a general partner in a limited partnership or a manager in a limited liability company; or (3) a Bankruptcy Event, as defined by the Security Instrument (but only if the Bankruptcy Event occurs with the consent or active participation of Borrower, General Partner, Guarantor or any Borrower Affiliate (as defined by the Security Instrument)).

(e) In addition to any personal liability for the Indebtedness, Borrower shall be personally liable to Lender for (1) the performance of all of Borrower's obligations under Sections 18 of the Security Instrument (relating to environmental matters) and the Agreement of Environmental Indemnification dated _____, 2010; (2) the costs of any audit under Section 14(d) of the Security Instrument; and (3) any costs and expenses incurred by Lender in connection with the collection of any amount for which Borrower is personally liable under this Section 9, including out of pocket expenses and reasonable fees of attorneys and expert witnesses and the costs of conducting any independent audit of Borrower's books and records to determine the amount for which Borrower has personal liability.

(f) To the extent that Borrower has personal liability under this Section 9, Lender may exercise its rights against Borrower personally without regard to whether Lender has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to Lender under this Note, the Security Instrument, any other Loan Document or applicable law. For purposes of this Section 9, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Security Instrument prior to the occurrence of an Event of Default or (2) Borrower was unable to apply as required or permitted by the Security Instrument because of a bankruptcy, receivership, or similar judicial proceeding. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal liability under this Section 9, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

10. Voluntary and Involuntary Prepayments.

(a) In connection with any prepayment (i.e., any receipt by Lender of principal, other than principal required to be paid in monthly installments pursuant to Section 3, prior to the Maturity Date) made under this Note, whether voluntary or involuntary, a prepayment premium shall be payable as provided in subsections (1), (2) and (3) below:

(A) No voluntary prepayments of this Note, in whole or in part, shall be permitted during the Lock-Out Period, except as otherwise expressly permitted under the Borrower Loan Documents. After the Lock-Out Period, Borrower may voluntarily prepay all (but not less than all) of the unpaid principal balance of this Note on any Loan Payment Date if: (i) Borrower has given Lender prior notice of its intention to make such prepayment within the notice period and in the manner required under the Loan Agreement and (ii) Borrower pays (A) the amount of principal being prepaid, (B) all accrued interest, (C) prior to the end of the Prepayment Premium Period, the prepayment premium calculated pursuant to Schedule B, and (D) all other sums due Lender at the time of such prepayment. For all purposes including the accrual of interest, any prepayment received by Lender on any day other than the last calendar day of a Loan Month shall be deemed to have been received on the last calendar day of such Loan Month. Unless expressly provided for herein or in the other Borrower Loan Documents, Borrower shall not have the option to voluntarily prepay the unpaid principal balance of this Note, in full or in part. However, if a full or partial prepayment is provided for herein or in the other Borrower Loan Documents or is accepted by Lender in Lender's sole discretion (other than a partial prepayment as a result of any of the events described in Section 10(b)(i) below) during the Prepayment Premium Period, a prepayment premium calculated pursuant to Schedule B shall be due and payable by Borrower.

(B) Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, (A) all accrued interest and all other sums due Lender, and (B) if such acceleration occurs during the Prepayment Premium Period, the prepayment premium calculated pursuant to Schedule B.

(C) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note prior to the end of the Prepayment Premium Period and in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of a prepayment premium, calculated pursuant to Schedule B.

(b) Notwithstanding the provisions of Section 10(a), no prepayment premium shall be payable with respect to (i) any mandatory partial prepayment based on a determination by Lender of the Permanent Period Amount or (ii) any prepayment occurring as a result of the application of any insurance proceeds or condemnation award under Sections 19(f) or 20(b) of the Security Instrument.

(c) Any permitted or required prepayment of less than the unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments; unless Lender agrees otherwise in writing (except as provided in Section 10(b) above).

(d) Borrower recognizes that any prepayment of the unpaid principal balance of this Note, whether voluntary, involuntary or resulting from a default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional expense and frustration or impairment of Lender's ability to meet its commitments to third parties. Borrower agrees to pay to Lender upon demand damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating prepayment premiums set forth on Schedule B represents a reasonable estimate of the damages Lender will incur because of a prepayment.

(e) Borrower further acknowledges that the lock-out and prepayment premium provisions of this Note are a material part of the consideration for the Loan, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to the Lock-Out Period and the prepayment premium provisions.

(f) Notwithstanding anything herein to the contrary, Lender shall have the right, in its sole discretion, to require Borrower to prepay this Note, together with all amounts due under the Borrower Loan Documents, in full or in part based on the calculation of the Permanent Period Amount in accordance with the terms and provisions of the Loan Agreement.

(g) INTENTIONALLY OMITTED.

(h) Any prepayment premium payable hereunder shall be remitted to Servicer, or if a Servicer has not been appointed by Lender, to Lender..

11. **Costs and Expenses.** To the fullest extent allowed by applicable law, Borrower shall pay all expenses and costs, including, without limitation, out-of-pocket expenses and reasonable fees of attorneys (including, without limitation, in-house attorneys) and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Borrower Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. For purposes of Section 9(e) and this Section 11, attorneys' out of pocket expenses shall include, but are not limited to, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses.

12. **Forbearance.** Any forbearance by Lender in exercising any right or remedy under this Note, the Security Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with

respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

13. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower and all endorsers and guarantors of this Note and all other third party obligors.

14. **Loan Charges.** Neither this Note nor any of the other Borrower Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Loan Document, whether considered separately or together with other charges provided for in any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

15. **Commercial Purpose.** Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family, household or agricultural purposes.

16. **Counting of Days.** Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.

17. **Governing Law.** This Note shall be governed by the law of the jurisdiction in which the Mortgaged Property is located ("Property Jurisdiction").

18. **Captions.** The captions of the sections of this Note are for convenience only and shall be disregarded in construing this Note.

19. **Notices; Written Modifications.** All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with Section 31 of the Security Instrument. Any modification or amendment to this Note shall be ineffective unless in writing signed by the party sought to be charged with such modification or amendment; provided, however, that in the event of a Transfer under the terms of the Security Instrument, any or some or all of the Modifications to Multifamily Note in Schedule C may be modified or rendered void by Lender at Lender's option by notice to Borrower or such proposed transferee.

20. **Consent to Jurisdiction and Venue.** Borrower agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The

state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

21. **WAIVER OF TRIAL BY JURY.** TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

22. **Payments on Non-Business Day.** If the date for the making of any payment under this Note is not a Business Day, such payment shall be due and payable on the next succeeding Business Day.

23. **Servicer.** Borrower hereby acknowledges and agrees that, pursuant to the terms of the Loan Agreement and as more particularly provided for in Section 39 of the Security Instrument: (i) from time to time, Lender may appoint a servicer to collect payments, escrows and deposits, to give and to receive notices hereunder and under the other Borrower Loan Documents, and to otherwise service the Loan and (ii) unless Borrower receives written notice from Lender to the contrary, any action or right which shall or may be taken or exercised by Lender may be taken or exercised by such servicer with the same force and effect. Borrower shall be responsible for the payment of the ongoing servicing fees relating to or arising under the Servicing Agreement in a monthly amount not to exceed one-twelfth of [__%]) of the outstanding balance of the Loan, payable monthly in arrears, together with any reasonable set-up fees with respect thereto.

24. **Terms of Note Governing Payment Matters Control in the Event of any Conflict.** In the event the provisions of the Loan Agreement or the other Borrower Loan Documents (other than this Note) conflict with the provisions of this Note which govern the terms of repayment of the Loan or the payment of other amounts due in connection with the Loan (including, without limitation, the provisions of this Note which govern the required payments of principal, interest, and other amounts due in connection with the Loan, the manner of payment, the calculation of interest, the payment of the Lender's costs and expenses, the application of payments by the Lender, the acceleration of amounts owed by the Borrower, late charges, default rates of interest, prepayments, prepayment premiums or maximum rates of interest or similar charges), the provisions of this Note shall govern and control.

25. **ATTACHED SCHEDULES.** The following Schedules are attached to this Note and are incorporated by reference herein as if more fully set forth in the text hereof:

Schedule A – Interest Rate

Schedule B – Prepayment Premium

Schedule C – Modifications to Multifamily Note

The terms of this Note are modified and supplemented as set forth in said Schedules. To the extent of any conflict or inconsistency between the terms of said Schedules and the text of this Note, the terms of said Schedules shall be controlling in all respects.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Multifamily Permanent Note or caused this Multifamily Permanent Note to be duly executed and delivered by its authorized representative as of the date first set forth above. The undersigned intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

Hairpin Lofts, LLC, an Illinois limited liability company

By: Hairpin Lofts Manager, LLC,
an Illinois limited liability company,
its Manager

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Managing Member

By: _____
Name: _____
Title: _____

Pay to the Order of:

CITIBANK, N.A.,

as assignee under that certain Funding Loan Agreement dated as of _____, 2010

WITHOUT RECOURSE

GOVERNMENTAL LENDER:

CITY OF CHICAGO

By: _____

[Schedule "C" referred to in this Loan of Multi-Family Permanent Note unavailable at time of printing.]

Schedules "A" and "B" referred to in this Form of Multi-Family Permanent Note read as follows:

Schedule "A".
(To Form Of Multi-Family Permanent Note)

Principal And Interest Payments.

1. Interest Rate.

Except as provided in Paragraphs 8 and 14, interest ("Note Interest") shall accrue on the unpaid principal of this Note from, and including, the date of this note until paid in full at an annual rate as follows:

- (a) Fixed Rate. Interest shall accrue at annual rate of ____ percent (___%) (the "Fixed Rate").
- (b) Maximum Rate. Notwithstanding any other provision of this Note to the contrary, Note Interest shall not exceed the Maximum Rate, as the Maximum Rate may change in accordance with the Loan Agreement.
- (c) Interest Accrual. Note interest shall be computed on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

2. Monthly Principal And Interest Payments.

Commencing on the First Payment Date and on each Loan Payment Date thereafter until and including the Maturity Date, consecutive monthly installments of principal and interest in the amount of \$ [_____] (based upon an amortization schedule assuming a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months), shall be payable on each Loan Payment Date until the entire unpaid principal balance evidenced by this Note is fully paid. Any remaining principal and interest if not sooner paid, shall be due and payable on the Maturity Date.

Schedule "B".
(To Form Of Multi-Family Permanent Note)

Prepayment Premium.

Any prepayment premium payable under Paragraph 10 of this Note shall be computed as follows:

- (a) If the prepayment is made at any time after the date of this Note and before six (6) months prior to Maturity Date (the "Yield Maintenance Period End Date") the prepayment premium shall be the greater of:
 - (i) One percent (1%) of the amount of principal being prepaid; or

(ii) The product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Fixed Rate on this Note (1) the yield rate (the "Yield Rate") on the U.S. Treasury Security due on the date six (6) months prior to the fifteenth (15th) annual anniversary of the Conversion Date (the "Specified U.S. Treasury Security"), on the twenty-fifth (25th) Business Day preceding (x) the Intended Prepayment Date, or (y) the date Lender accelerates the Loan or otherwise accepts a prepayment pursuant to Paragraph 10(a)(3) of this Note, as the Yield Rate is reported in *The Wall Street Journal*,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

r = Yield Rate

n = the number of months remaining between (1) either of the following: (x) in the case of a voluntary prepayment, the Last Day of the Month during which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of this Note and (2) the Yield Maintenance Period End Date.

In the event that no Yield Rate is published for the Specified U.S. Treasury Security, then the nearest equivalent non-callable U.S. Treasury Security having a maturity date closest to the Yield Maintenance Period End Date of this Note shall be selected at Lender's discretion. If the publication of such Yield Rates in *The Wall Street Journal* is discontinued, Lender shall determine such Yield Rates from another source selected by Lender.

(b) Notwithstanding the provisions of Paragraph 10(a) of this Note, no prepayment premium shall be payable with respect to any prepayment made on or after the Yield Maintenance Period End Date.

Exhibit "F"
(To Ordinance)

Land-Use Restriction Agreement.

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), entered into as of [DATED DATE], by and between the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), and Hairpin Lofts, LLC, an Illinois limited liability company (the "Borrower").

WITNESSETH:

WHEREAS, pursuant to a Funding Loan Agreement, dated as of [DATED DATE] (the "Funding Loan Agreement") between the Issuer, the Borrower and Citibank, N.A. (the "Funding Lender") and an ordinance adopted by the Issuer on _____, 2010 (the "Note Ordinance"), the Funding Lender will advance funds (the "Funding Loan") in an aggregate principal amount not to exceed _____ Dollars (\$[Loan Amount]) and the Issuer will execute and deliver a promissory note (the "Governmental Lender Note") evidencing the obligation to repay the Funding Loan.

WHEREAS, the Funding Loan and the Governmental Lender Note, together with interest thereon (the "Obligations"), shall be limited obligations of the City secured under the Funding Loan Agreement for the benefit of the Funding Lender, and will be payable from the loan payments received by the City pursuant to a loan agreement (the "Borrower Loan Agreement") between the City and the Borrower, pursuant to which the City will loan the proceeds of the Funding Loan to the Borrower (the "Borrower Loan") the proceeds of which will be used by the Borrower to finance the acquisition, construction and equipping of a "qualified residential rental project" within the meaning of Section 142 of the Internal Revenue Code of 1986, as amended (the "Code") located in Chicago, Illinois (the "Residential Project") on the real property described on Exhibit A attached hereto.

WHEREAS, in order to assure the Issuer and the owners of the Obligations that interest on the Obligations will be excluded from gross income for federal income tax purposes under the Code, and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Residential Project under the Code must be established;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Borrower and the Issuer agree as follows:

Section 1. Term of Restrictions. (a) Occupancy Restrictions: With respect to the Residential Project, the term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the later of the first day on which at least ten percent (10%) of the units in the Residential Project are first occupied or the issue date of the Obligations, and shall end on the latest of (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Residential Project are first occupied; (ii) the first date on which no tax-exempt obligation (including any refunding obligation) issued and / or executed and delivered with respect to the Residential Project is outstanding; or (iii) the date on which any housing assistance provided with respect to the Residential Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which period is hereinafter referred to, with respect to the Residential Project, as the "Qualified Project Period" for the Residential Project).

(b) Rental Restrictions: The Rental Restrictions set forth in **Section 4** hereof shall remain in effect during the Qualified Project Period set forth in paragraph (a) of this **Section 1**.

(c) Involuntary Loss or Substantial Destruction: The Occupancy Restrictions set forth in **Section 3** hereof, and the Rental Restrictions set forth in **Section 4** hereof, shall cease to apply to the Residential Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency after the date of delivery of the Obligations, which prevents the Issuer from enforcing the Occupancy Restrictions and the Rental Restrictions, or condemnation or similar event, but only if, within a reasonable time period, (i) the portion of the Obligations allocable to the Residential Project (as determined by a firm of nationally recognized bond counsel acceptable to the Issuer) is promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Residential Project by amendment of this Agreement; and (ii) an opinion from nationally recognized bond counsel (acceptable to the Issuer) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions as a result of such involuntary loss or substantial destruction resulting from an unforeseen event will not adversely affect the exclusion from the gross income of the owners thereof for purposes of federal income taxation of the interest on the Obligations; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period subsequent to such event the Borrower or any Related Party (as defined in Section 147(a)(2) of the Code) obtains an ownership interest in the Residential Project for federal income tax purposes.

(d) Termination: This Agreement shall terminate upon the earliest of (i) termination of the Occupancy Restrictions and the Rental Restrictions, as provided in paragraphs (a) and (b) of this **Section 1**; or (ii) delivery to the Issuer and the Borrower of an opinion of nationally recognized bond counsel (acceptable to the Issuer) to the effect that continued compliance with the Rental Restrictions and Occupancy Restrictions on the Residential Project is not required in order for interest on the Obligations to remain excludible from gross income of the owners thereof for federal income tax purposes.

(e) Certification: Upon termination of this Agreement, in whole or in part, the Borrower and the Issuer shall execute and the parties shall cause to be recorded (at the Borrower's expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated, and the portion of the Residential Project to which such termination relates.

Section 2. Project Restrictions. The Borrower represents, warrants and covenants as follows:

(a) The Borrower has reviewed the provisions of the Code, the Treasury Regulations thereunder (the "Regulations") and Internal Revenue Service rulings, procedures and pronouncements applicable to this Agreement (including, without limitation, Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and IRS Revenue Procedure 2004-39, 2004-29 IRB 49) with its counsel and understands said provisions.

(b) The Project is being constructed, acquired, rehabilitated and equipped for the purpose of providing a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) and will, during the term of the Rental Restrictions and Occupancy Restrictions hereunder, continue to constitute a "qualified residential rental project" under Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) At least 95% of the Residential Project will consist of a "building or structure" (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or several proximate buildings or structures of similar construction, each containing one or more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)(b) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). Each such building or structure (or several proximate buildings or structures comprising the Residential Project) shall contain five (5) or more similarly constructed units.

(d) None of the residential units in the Residential Project will at any time be used on a transient basis, nor will the Residential Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis.

(e) In no event will continual or frequent nursing, medical or psychiatric services be made available at the Residential Project, within the meaning of Revenue Ruling 98-47, 1998-2 CB 399, or any successor thereto.

(f) All of the residential units in the Residential Project will be leased, rented, or available for lease or rental on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel and units which may be rented under the Section 8 assistance program, which units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section 8 requirements), subject, however, to the requirements of **Section 3(a)** hereof. Each Qualifying Tenant (as hereinafter defined) occupying a residential unit in the Residential Project shall be required to execute a written Lease Agreement with a stated term of not less than thirty (30) days nor more than one (1) year.

(g) Any functionally related and subordinate facilities (e.g., parking areas, swimming pools, tennis courts, etc.) which are financed by the Obligations and are included as part of the Residential Project will be of a character and size commensurate with the character and size of the Residential Project, and will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in the surrounding area and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in **Section 3** hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(h) Each residential unit in the Residential Project will contain separate and complete facilities for living, sleeping, eating, cooking (including a refrigerator, sink, oven and range top) and sanitation for a single person or family.

(i) No portion of the Residential Project will be used to provide any health club facility, any facility primarily used for gambling, or any store, the principal business of which is the sale of alcoholic beverages for consumption off premises, in violation of Section 147(e) of the Code.

Section 3. Occupancy Restrictions. The Borrower represents, warrants and covenants as follows:

(a) Pursuant to the election of the Issuer and the Borrower in accordance with the provisions of Section 142(d)(1)(B) of the Code, at all times during the Qualified Project Period at least forty percent (40%) of the completed residential units in the Residential Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "Qualifying Tenants" means, subject to Section 3(d) hereof, individuals or families whose aggregate adjusted incomes do not exceed sixty percent (60% of the applicable median gross income (adjusted for family size) for the area in which the Residential Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination).

(b) Prior to the commencement of occupancy of any unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as Exhibit B (the "Income Certification") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Borrower or the Issuer to substantiate the Income Certification.

(c) Not less frequently than annually, the Borrower shall determine whether the current aggregate adjusted income of the tenant(s) occupying any unit being treated by the Borrower as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Borrower shall require each such tenant to execute and deliver to the Borrower the Income Certification attached hereto as Exhibit B.

(d) Any unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such Qualifying Tenant until reoccupied. Upon such unit being reoccupied, the Borrower shall have thirty-one (31) days from such date to determine whether such unit is being occupied by a Qualifying Tenant.

(e) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit; provided that the income of such individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination; and provided, further, that if any individual's or family's income as of the most recent income determination exceeds one hundred and forty

percent (140%) of the applicable income limit, such individual or family shall cease to qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any unit in the Residential Project of comparable or smaller size to such individual's or family's unit is occupied by any tenant other than a Qualifying Tenant.

(f) For purposes of satisfying the requirement that 40% of the completed residential units be occupied by Qualifying Tenants, the following principles shall apply: (i) upon the later of the first day on which at least 10% of all of the residential units in the Residential Project are occupied or the issue date of the Obligations, 40% of such units must be occupied by Qualifying Tenants; and (ii) after 10% of the residential units in the Residential Project are occupied, Qualifying Tenants must occupy residential units in the Residential Project in the number set forth in Exhibit D hereto, and the Qualifying Tenants' occupancies must predate the non-Qualifying Tenants' occupancies.

(g) The lease agreement to be utilized by the Borrower in renting any residential units in the Residential Project to a prospective Qualifying Tenant shall provide for termination of the lease agreement and consent by such person to eviction following thirty (30) days' notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualifying Tenant.

(h) All Income Certifications will be maintained on file at the Residential Project (or at an off-site storage location) so long as any Obligations are outstanding and for five (5) years thereafter with respect to each Qualifying Tenant who occupied a residential unit in the Residential Project during the period the restrictions hereunder are applicable, and the Borrower will, promptly upon receipt, file a copy thereof with the Issuer.

(i) On the first day of the Qualified Project Period, on the fifteenth day of January, April, July and October of each year during the Qualified Project Period, and within thirty (30) days after the final day of each month in which there occurs any change in the occupancy of a residential unit in the Residential Project, the Borrower will submit to the Issuer the "Certificate of Continuing Program Compliance," in the form attached hereto as Exhibit C, executed by the Borrower.

(j) The Borrower shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Residential Project continues to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Borrower to the penalty provided in Section 6652(j) of the Code. The Borrower shall submit a copy of each such annual certification to the Issuer.

Section 4. Rental Restrictions. The Borrower represents, warrants and covenants that once available for occupancy, each residential unit in the Residential Project will be rented or available for rental on a continuous basis to members of the general public (other than (a) units for a resident manager or maintenance personnel and (b) units for Qualifying Tenants as provided for in **Section 3** hereof).

Section 5. Transfer Restrictions. The Borrower covenants and agrees that no conveyance, transfer, assignment or any other disposition of title to the Residential Project (a "Transfer"), shall be made prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder, unless the transferee pursuant to the Transfer assumes in writing, in a

form reasonably acceptable to the Issuer, all of the executory duties and obligations hereunder of the Borrower, including this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder (the "Assumption Agreement"). The Borrower shall deliver the Assumption Agreement to the Issuer at least thirty (30) days prior to a proposed Transfer.

Section 6. Enforcement. (a) The Borrower shall, upon at least 48 hours prior written notice and during regular business hours, permit all duly authorized representatives of the Issuer to inspect any books and records of the Borrower regarding the Residential Project and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(b) In addition to the information provided for in Section 3(h) hereof, the Borrower shall submit any other information, documents or certifications reasonably requested by the Issuer which the Issuer deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) The Issuer and the Borrower each covenants that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Obligations from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, the Issuer and the Borrower covenant to take any lawful action within their control and as may be necessary, (in the opinion of nationally recognized bond counsel acceptable to the Issuer) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued and / or executed and delivered under Section 142(d) of the Code and affecting the Residential Project.

(d) The Borrower covenants and agrees to inform the Issuer by written notice of any violation of its obligations hereunder within five (5) days of first discovering any such violation. If any such violation is not corrected to the satisfaction of the Issuer within the period of time specified by the Issuer, which shall be (A) the lesser of (i) forty-five (45) days after the effective date of any notice to or from the Borrower, or (ii) sixty (60) days from the date such violation would have been discovered by the Borrower by the exercise of reasonable diligence, or (B) such longer period as is specified in an opinion of nationally recognized bond counsel (acceptable to the Issuer) as will not result in the loss of such exclusion of interest on the Obligations, without further notice, the Issuer shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer shall apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement.

(e) The Borrower and the Issuer each acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Agreement is to preserve the exclusion of interest on the Obligations from gross income for purposes of federal income taxation, and that the Issuer, on behalf of the owners of the Obligations, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder, which in

the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Obligations from gross income for purposes of federal income taxation.

(f) In the enforcement of this Agreement, the Issuer may rely on any certificate delivered by or on behalf of the Borrower or any tenant with respect to the Residential Project.

(g) Nothing in this Section shall preclude the Issuer from exercising any remedies they might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Obligations from gross income for purposes of federal income taxation.

Section 7. Covenants to Run With the Land. The Borrower hereby subjects the Residential Project to the covenants, reservations and restrictions set forth in this Agreement. The Issuer and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Borrower's successors in title to the Residential Project throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Residential Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording. The Borrower shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook County, Illinois, and in such other places as the Issuer may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 9. Reserved.

Section 10. No Conflict With Other Documents. The Borrower warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Borrower agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

Section 11. Interpretation. Any terms not defined in this Agreement shall have the same meaning as terms defined in the Indenture, the Borrower Loan Agreement, or Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

Section 12. Amendment. This Agreement may be amended by the parties hereto, among other things, to reflect changes in Section 142(d) of the Code, the Regulations and any revenue rulings or procedures promulgated thereunder, or in the interpretation thereof, subject to an opinion of nationally recognized bond counsel that such amendment will not adversely affect the exclusion of the interest on the Obligations from the gross income of the owners thereof for purposes of federal income taxation.

Section 13. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices. Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If to the Issuer:

If to the Borrower:

Section 15. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, and where applicable, the laws of the United States of America.

Section 16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

[SEAL]

CITY OF CHICAGO,
as Issuer

Attest:

By: Miguel del Valle, City Clerk

By: _____
Gene R. Saffold, Chief Financial Officer

HAIRPIN LOFTS, LLC, an Illinois limited liability company

By: Hairpin Lofts Manager, LLC, an Illinois limited liability company, its Manager

By: Brinshore 2800 Corp., an Illinois corporation, its Managing Member

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared Gene R. Saffold and Miguel del Valle, Chief Financial Officer and City Clerk, respectively, of the City of Chicago, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Issuer.

GIVEN UNDER MY HAND and seal of office, this the _____ day of _____, 2010.

Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

STATE OF ILLINOIS)
) ss:
 COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of BRINSHORE 2800 CORP., an Illinois corporation and the managing member of HAIRPIN LOFTS MANAGER, LLC, the manager of Hairpin Lofts, LLC (the "Borrower"), known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be an authorized representative of said Borrower and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Borrower.

GIVEN UNDER MY HAND and seal of office, this the ____ day of _____, 2010.

 Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

[(Sub)Exhibit "A" referred to in this Land-Use
 Restriction Agreement unavailable
 at time of printing.]

(Sub)Exhibits "B", "C" and "D" referred to in this Land-Use Restriction Agreement read as follows:

(Sub)Exhibit "B".
(To Land-Use Restriction Agreement)

Income Computation And Certification.

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR Part 5). You should make certain that this form is at all times up to date with HUD Regulations. All capitalized terms used herein shall have the meanings set forth in the Land Use Restriction Agreement, dated as of [DATED DATE], among Hairpin Lofts, LLC (the "Borrower"), and the City of Chicago.

Re: Hairpin Lofts Apartments Project

Chicago, Illinois

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

1.	2.	3.	4.	5.
Name of Members of the Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
	HEAD			
	SPOUSE			

6. **Total Anticipated Income.** The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the 12-month period beginning the date that I/we plan to move into a unit (i.e., _____) is \$ _____.

Included in the total anticipated income listed above are:

(a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; include any withdrawal of cash or _____

The form of Income Computation and Certification shall be conformed to any amendments made to 24 CFR Part 5, or any regulatory provisions promulgated in substitution therefor.

assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

(c) interest and dividends (see 7(C) below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus

(ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f)(ii) shall be the amount resulting from one application of the percentage);

(g) periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and

(h) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

(a) income from employment of children (including foster children) under the age of 18 years;

(b) payments received for the care of foster children or foster adults;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

(d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(e) income of a live-in aide;

(f) the full amount of student financial assistance paid directly to the student or to the educational institution;

(g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(h) amounts received under training programs funded by the Department of Housing and Urban Development ("HUD");

(i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(k) a resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Borrower, on a part-time basis, that enhances the quality of life in the Residential Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one stipend during the same period of time);

(l) compensation from state or local employment training programs and training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;

(m) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(n) earnings in excess of \$480 for each full-time student, 18 years or older, but excluding the head of household and spouse;

(o) adoption assistance payments in excess of \$480 per adopted child;

(p) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

(q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(r) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

(s) temporary, nonrecurring or sporadic income (including gifts); and

(t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

7. Assets. (A) Do the persons whose income or contributions are included in Item 6 above:

(i) have savings, stocks, obligations, equity in real property or other forms of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in HUD homeownership programs, and interests in Indian trust land)? _____ Yes _____ No.

(ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? _____ Yes _____ No.

(B) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000? _____ Yes
_____ No.

(C) If the answer to (B) above is yes, state:

(i) the total value of all such assets: \$ _____.

(ii) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy of the unit that you propose to rent: \$ _____, and

(iii) the amount of such income, if any, that was included in Item 6 above: \$ _____.

8. Full-Time Students. (A) If ALL of the persons listed in column 1 above are or will be full-time students* during five calendar months of this calendar year at an education institution (other than a correspondence school) with regular faculty and students, answer the questions (a) through (d) below; otherwise check here: NOT APPLICABLE

*A full-time student is an individual who during each of the 5 calendar months during the calendar year in which occupancy of the unit begins is a full-time student at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(a) Is any such person (other than nonresident aliens) married and filing a joint federal income tax return?

Yes

No

(b) Is any such person receiving assistance under Title IV of the Social Security Act (relating to Aid to Families with Dependent Children or AFDC)?

Yes No

(c) Is any such person enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws?

Yes No

(d) Are such persons single parents and their children (not one of whom is a dependent of a person not residing in the unit)?

Yes No

9. Relationship to Project Borrower. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Borrower"), has any family relationship to the Borrower, or owns directly or indirectly any interest in the Borrower. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. Reliance. This certificate is made with the knowledge that it will be relied upon by the Borrower to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on obligations issued and / or executed and delivered to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such obligations, the holders of such obligations, any trustee acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. Further Assistance. I/We will assist the Borrower in obtaining any information or documents required to verify the statements made herein, including, but not limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two calendar years.

12. Misrepresentation. I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Borrower to lease the unit, and may entitle the Borrower to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this ____ day of _____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of 17 years listed in number 2 above required.]

SUBSCRIBED AND SWORN to before
me this ____ day of _____, ____

(NOTARY SEAL)

Notary Public in and for the State of _____

My Commission Expires: _____

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:

a. Enter amount entered for entire household
in 6 above: \$ _____

b. (1) if the amount entered in 7(C)(i) above is greater
than \$5,000, enter the total amount entered in
7(C)(ii), subtract from that figure the amount
entered in 7(C)(iii) and enter the remaining balance
(\$ _____);

(2) multiply the amount entered in 7(C)(i) times the
current passbook savings rate as determined by
HUD to determine what the total annual earnings on
the amount in 7(C)(i) would be if invested in
passbook savings (\$ _____), subtract from that
figure the amount entered in 7(C)(iii) and enter the
remaining balance (\$ _____); and

(3) enter at right the greater of the amount calculated
under (1) or (2) above: \$ _____

c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b(3)):

2. The amount entered in 1.c is:
- _____ Less than 60% of Median Gross Income for Area.²
- _____ More than 60% of Median Gross Income for the Area.³
3. Number of apartment unit assigned: _____
- Bedroom-Size: _____ Rent: \$ _____
4. The last tenants of this apartment unit for a period of at least 30 consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than 60% of Median Gross Income for the Area.

² "Median Gross Income for the Area" means the median income for the area where the Residential Project is located as determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or if programs under Section 8 are terminated, median income determined under the method used by the Secretary prior to the termination. "Median Gross Income for the Area" shall be adjusted for family size.

³ See footnote 2.

5. Method used to verify applicant(s) income:
- _____ Employer income verification.
- _____ Copies of tax returns.
- _____ Other (_____)

Borrower or Manager

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in the Residential Project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages	_____
Overtime	_____
Bonuses	_____
Commissions	_____
Total current income	_____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____	_____	_____
Signature	Date	Title

I hereby grant you permission to disclose my income to _____, an Illinois limited liability company, in order that it may determine my income eligibility for rental of an apartment located in its project which has been financed by the City of Chicago.

_____	_____
Signature	Date

Please send to:

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____	_____
Signature	Date

(Sub)Exhibit "C".
(To Land Use Restriction Agreement)

Certificate Of Continuing Program Compliance.
(To Be Completed With Respect To The Residential Project)

The undersigned, the _____ of Brinshore 2800 Corp., the managing member of the manager of Hairpin Lofts, LLC, an Illinois limited liability company (the "Borrower"), hereby certify as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land Use Restriction Agreement, dated as of [DATED DATE], between the Borrower and the City of Chicago (the "Land Use Restriction Agreement").

2. Based on Income Computations and Certifications on file with the Borrower, as of the date of this Certificate the following number of completed residential units in the Residential Project (i) are occupied by Qualifying Tenants (as defined in the Land Use Restriction Agreement), or (ii) were previously occupied by Qualifying Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days:

Occupied by Qualifying Tenants¹: _____ No. of Units

Previously occupied by Qualifying Tenants (vacant and not reoccupied except for a temporary period of no more than 31 days) _____ No. of Units

3. The total number of completed residential units in the Residential Project is _____

4. No default has occurred and is subsisting under the Land Use Restriction Agreement.

HAIRPIN LOFTS, LLC,
an Illinois limited liability company

By: Hairpin Lofts Manager, LLC,
an Illinois limited liability company,
its Manager

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Managing Member

By: _____
Name: _____
Title: _____

¹ A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants was or were (i) entitled to file a joint tax return, (ii) receiving assistance under Title IV of the Social Security Act (relating to Aid to Families with Dependent Children), (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws, or (iv) single parents and their children (not one of whom is a dependent of a person not residing in the unit).

(Sub)Exhibit "D".
(To Land-Use Restriction Agreement)

Rentable Rent-Up Schedule.

The borrower expects and covenants that 25 of the 28 residential units will be rented to Qualifying Tenants and that, at no time, will more than 3 residential units in the Residential Project be rented to individuals who are not Qualifying Tenants under the applicable income requirements.

Exhibit "G".
(To Ordinance)

Hairpin Lofts Apartments Redevelopment Agreement.

This Hairpin Lofts Apartments Redevelopment Agreement (this "**Agreement**") is made as of this ____ day of _____, 20____, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development ("**DCD**"), Hairpin Lofts, LLC, an Illinois limited liability company ("**HLLLC**"), and Brinshore 2800 Corp., an Illinois corporation ("**Brinshore**" and collectively with HLLLC, the "**Developer**").

RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the 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 "**City Council**") adopted the following ordinances on February 16, 2000: (1) "Approval of Tax Increment Redevelopment Plan for Fullerton/Milwaukee Redevelopment Project Area;" (2) "Designation of Fullerton/Milwaukee Redevelopment Area as Tax Increment Financing District;" and (3) "Adoption of Tax Increment Allocation Financing for Fullerton/Milwaukee Redevelopment Project Area" (the "**TIF Adoption Ordinance**"), and adopted "Amendment Number 1 to Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project" on May 11, 2005 ("Amendment Number 1")(such ordinances collectively referred to herein as the "**TIF Ordinances**"). The redevelopment project area referred to above as amended by Amendment Number 1 (collectively, the "**Redevelopment Area**") is legally described in **Exhibit A** hereto.

D. **The Project:** Lester and Rosalie Anixter Center, an Illinois not-for-profit corporation ("Anixter") has acquired from the City (the "Acquisition") certain property comprised of approximately 28,250 square feet located within the Redevelopment Area as legally described on **Exhibit B** hereto (the "**Property**"). Anixter will either contribute the Property to Hairpin Lofts Manager, LLC, an Illinois limited liability company, who will convey such Property to the ultimate title holder (or convey it directly to) HLLLC (of which Anixter, or an affiliate thereof, is indirectly through Hairpin Lofts Manger, LLC a member), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (collectively, the "**Project**"): rehabilitation of the basement, portions of the first and second floors, and the third, fourth, fifth and sixth floors of a six-story elevator building (the "**Facility**") on the Property, which will consist of one- and two-bedroom rental units, with 28 rental units, comprised of 25 affordable units (the "**Affordable Units**") and three market-rate units (the "**Market Rate Units**" and, together with the Affordable Units, the "**Units**") and related common areas. The Facility shall have a partial green reflective roof membrane, geo-thermal heating and cooling, solar thermal hot water, a high-efficiency building envelope, Energy Star appliances, low VOC interior paints, low-flow plumbing fixtures, high efficiency and insulated windows. The following standard features will be offered at no additional fee: individually controlled heating and cooling; kitchens, hardwired internet and cable; operable windows; and intercom entry system. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "**Project.**" The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. **Redevelopment Plan:** The Project is located in the Redevelopment Area and will be carried out in accordance with this Agreement and the City of Chicago Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan (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(iii)** 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. The City, as of the Closing Date, shall allocate and appropriate the amounts set forth in **Section 4.03(iii)** for payment of the Redevelopment Project Costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes (as defined below) pursuant to an ordinance at a later date as described in **Section 8.05** hereof, the proceeds of which 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. **Prior TIF Financing:** Pursuant to a note ordinance adopted by the City Council on October 2, 2002, the City issued its Tax Increment Allocation Revenue Note (Fullerton/Milwaukee Redevelopment Project) Taxable Series 2002, dated December 2002, in the amount of \$700,000 to The Northern Trust Company, secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Small Business Improvement Fund for the Redevelopment Area (the "Northern Trust Note").

Pursuant to an ordinance adopted by the City Council on October 6, 2005, the City entered into a redevelopment agreement dated as of February 16, 2006, with Footware Factory Development Corp., an Illinois corporation, 3963 West Belmont Residential Property, L.L.C., an Illinois limited liability company, and 3927 West Belmont Commercial Property, L.L.C., an Illinois limited liability company (collectively the "Footware Factory Developer"), for the issuance of a note to the Footware Factory Developer in the aggregate principal amount not to exceed \$8,000,000 secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Footware Factory project (the "Footware Factory Obligation").

Pursuant to a bond ordinance adopted by the City Council on December 13, 2006 the City issued \$8,735,000 in aggregate principal amount of General Obligation Bonds (Modern Schools Across Chicago Project), Series 2007E, dated as of January 1, 2007, for which ad valorem taxes levied for repayment will be abated with, along with certain incremental taxes from various other redevelopment project areas, Incremental Taxes (the "Modern Schools Bonds").

The Northern Trust Note, the Footware Factory Obligation and the Modern Schools Bonds are collectively referred to herein as the Prior TIF Financings. The Developer acknowledges that the Prior TIF Financings are prior liens on the Fullerton/Milwaukee TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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.

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

"Affordable Units" shall have the meaning set forth in the Recitals hereof.

"Annual Report" shall mean the report described in **Section 8.21** hereof.

"Available Incremental Taxes" shall mean the 90% of the Incremental Taxes then on deposit in the Fullerton/Milwaukee TIF Fund, such reduction to reflect the amount of the City Fee.

"Certificate" shall mean the Certificate of Completion 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 Fee" shall have the meaning set forth for such term in Section 4.05(c) hereof.

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

"City Housing Loan" shall mean the tax-exempt loan funds described in Section 4.01 hereof.

"City Property" shall have the meaning set forth in the Hairpin Lofts Ordinance.

"Closing Date" shall mean _____, 20__.

"COC Occupancy Covenant" shall have the meaning set forth for such term in Section 8.20 hereof.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, 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.

"Deed" shall have the meaning set forth in Section 3.13(b) hereof.

"DOE" shall mean the City's Department of Environment.

"Draft NFR Letter" shall mean a draft comprehensive "no further remediation" letter from the IEPA for the Property, or any portion thereof, based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

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

"Environmental Laws" shall mean any and all Laws relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "**Superfund**" or "**Superlien**" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

“Environmental Remediation” has the meaning set forth in **Section 11.03**.

“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, with respect to each construction phase undertaken, the construction escrow agreement to be entered into by the Title Company (or an affiliate of, or an entity as an agent of, the Title Company), the General Contractor, the Developer, the Lender(s) and the City, substantially in the form of **Exhibit L** attached hereto, which shall govern the funding of the Equity, the Lender Financing, and the City Funds.

“Event of Default” shall have the meaning set forth in **Section 15** hereof.

“Facility” shall have the meaning set forth in the Recitals hereof.

“Final NFR Letter” shall mean a final comprehensive “no further remediation” letter from the IEPA approving the use of the Property for the construction, development and operation of the Project.

“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.

“Fullerton/Milwaukee 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.

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

“Hairpin Lofts Ordinance” shall mean that certain ordinance of City Council adopted on _____, 20___ authorizing the execution of this Agreement.

“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, lead-bearing substance and asbestos in any form or condition.

“IEPA” shall mean the Illinois Environmental Protection Agency.

“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 Fullerton/Milwaukee TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal.

"Lender" shall mean any provider of Lender Financing.

"Lender Financing" shall mean funds borrowed by either one of the Developer from any lender to fund costs of, and available to pay for, the Project, in the amount set forth in **Section 4.01** hereof.

"Losses" shall mean any and all debts, liens, claims, actions, causes of action, suits, demands, complaints, legal or administrative proceedings, losses, damages, assessments, obligations, liabilities, executions, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, Remediation Costs, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

"Market Rate Units" shall have the meaning set forth in the Recitals 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, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Budget" shall mean the budget 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 F** 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.

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

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

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

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

"Purchase Price" shall have the meaning set forth in Section 3.13(a).

"RACR" shall mean a Remedial Action Completion Report submitted to the IEPA in connection with a request for a Final NFR Letter.

"RAP" shall mean the Remedial Action Plan submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"ROR" means the Remediation Objectives Report submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"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.

"Released Claims" shall have the meaning set forth for such term in Section 11.04 hereof.

"Remediation Costs" shall mean governmental or regulatory body response costs, natural resource damages, property damages, and the costs of any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon.

"Reporting Period" shall have the meaning as set forth in Section 8.21 hereof.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit H, to be delivered by the Developer to DCD pursuant to Section 4.03 of this Agreement

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

"SRP" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"Surplus" shall have the meaning set forth in Section 4.03(c)(iii).

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 75 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).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2024, the date on which the Redevelopment Area is no longer in effect.

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

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

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to reimburse and/or pay for out of the City Funds, subject to the terms of this Agreement. **Exhibit C** lists the TIF-Funded Improvements for the Project.

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

"Title Company" shall mean _____.

"Title Policy" shall mean a title insurance policy, including all 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 if applicable), contiguity (as applicable), location, access and survey, in the most recently revised ALTA or equivalent form, showing HLLLC as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

"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, related to the Procurement Program or the Construction Program, as applicable.

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 June 1, 2010; and (ii) complete construction no later than June 1, 2012.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DCD and DCD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD 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 as in effect on the date of this Agreement and all applicable Laws. 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 DCD, and DCD has approved, a Project Budget showing total costs for the Project in an amount not less than [Twelve Million Thirty-Four Thousand Five-Hundred Twelve Dollars and 00/100 (\$12,034,512)]. The Developer hereby certifies to the City that (a) the Lender Financing and Equity described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay of completion of the Project in excess of 90 days, (c) changes the basic use of the Project, or (d) permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to DCD for DCD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of DCD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

3.05 DCD Approval. Any approval granted by DCD 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 DCD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DCD 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 DCD'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 DCD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date reflecting a delay in excess of 90 days being considered a Change Order, requiring DCD's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DCD upon the request of DCD or any Lender, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DCD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DCD, prior to requests for disbursement for costs related to the Project. With the written consent of DCD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DCD.

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. DCD 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 and subject to waivers authorized by City Council, 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 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) **Purchase Price.** The City hereby agrees to sell, and HLLLC hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement and the Donation Tax Credit Agreement, the Property, for the land write down amount of One and no/100 Dollars (\$1.00) (the "Purchase Price"), which is to be paid to the City on the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. Developer shall pay all escrow fees and other title insurance fees, premiums and closing costs. The Developer acknowledges and agrees that the Purchase Price is based on an appraisal prepared in 2010 valued at approximately \$2,900,000 which is the total amount of the land write down of the Property, and the City has only agreed to sell the Property to HLLLC for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions.

Historic Tax Credit Equity	\$ 1,633,258
Donation Tax Credit Equity	\$ 1,275,000
Enterprise Green Community Grant	\$ 45,000
Deferred Developer Fee	\$ 1,592

ESTIMATED TOTAL **\$12,034,512]**

* \$[6,000,000] of the \$[6,600,000] City Housing Loan will be paid-off at construction completion via a portion of City Funds, low-income housing tax credit equity and historic tax credit equity. The balance of the City Housing Loan in the amount of \$[600,000], will remain as a permanent, 1st mortgage loan.

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) **Uses of City Funds.** City Funds may only be used to pay directly or to reimburse Brinshore 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 reimbursed from City Funds for each line item therein (subject to **Sections 4.03(b) and 4.07(d)**), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) **Payment of City Funds.**

- i. 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 (the "**City Funds**") from Available Incremental Taxes to pay for and/or reimburse Brinshore for the costs of the TIF-Funded Improvements in the amounts determined under **Section 4.03(c)**.
- ii. The City's financial commitment to provide Available Incremental Taxes for such purposes (the "**City Funds**") shall be as follows:
 - a. \$350,000 shall be placed in Escrow from Available Incremental Taxes on May 1, 2010;
 - b. \$1,000,000 shall be placed in Escrow from Available Incremental Taxes on or about October 1, 2010;
 - c. \$1,682,760 shall be placed in Escrow from Available Incremental Taxes on or about December 1, 2010; and
 - d. \$2,909,010 placed in Escrow from Available Incremental Taxes on or about March 1, 2011.

In no event shall any funds set forth in (a) through (d) above be placed into Escrow before the Closing Date. If the Closing Date is after one or more funding dates set forth in (a) through (d) above, the funds that would have been paid on such date(s) shall be paid placed in Escrow on the Closing Date; **provided, however,** to the extent Available Incremental Taxes are determined to be insufficient to meet the payment schedule set forth in (a) through (d) above, the City shall make such deposit(s) as such Available Incremental Taxes become available. Payment of City Funds from Available Incremental Taxes are subject to the Prior TIF Financings. The City retains the right to fund other projects within the Redevelopment Area using Available Incremental Taxes so long as such funding would not, based upon the City's projections and uses of Available Incremental Taxes at the time the City agrees to provide such funding, result in the amount of Available Incremental Taxes being insufficient to fund the City's obligations under this Agreement.

- iii. Subject to the terms and conditions of this Agreement, payment shall be made to Brinshore (each, an "Installment") in accordance with the terms of the Escrow Agreement and upon Brinshore's submission of a draw request (the "Requisition Form") in accordance with Section 4.03(c). Such Installments shall be in the amount set for in Section 4.03(c); provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Five Million, Nine Hundred Forty-One Thousand Seven Hundred Seventy Dollars and 00/100 (\$5,941,770).
- iv. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement and the Escrow Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement or the Escrow Agreement.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the conditions set forth in parts (i), (ii), (iii) and (iv) above, as well the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.20. In the event that such conditions are not fulfilled, the amount of Lender Financing and/or Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increased, as necessary, to complete the Project.

(c) Payment Amount. (i) The Installments, to be paid pursuant to a draw request in accordance with the Escrow Agreement and upon submission of a Requisition Form, shall be as follows:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	Upon the later of 25% completion or July 1, 2010	\$ 350,000
Two	Upon the later of 50% completion or December 1, 2010	\$1,000,000
Three	Upon the later of 75% completion or February 1, 2011	\$1,682,760
Four	Upon the later of 100% completion or May 1, 2011	\$2,471,116
Five	Certificate of Completion Issued Pursuant to <u>Section 7.01</u> herein	\$ 437,894

(ii) Any delay in the construction completion date greater than six (6) months from the date set forth in Section 3.01(ii) shall result in the City no longer being obligated to reserve Available Increment in anticipation of paying Installments in accordance with Section 4.03(c)(i).

(iii) To the extent that the actual Project costs are less than the budgeted Project costs as set forth in Project Budget (such amount being a "Surplus"), the City Funds can be reduced or reimbursed to the City (as the case may be) by the amount of the Surplus, in accordance with the terms of the Escrow Agreement.

4.04 Construction Escrow. The City, the Developer, the Title Company, the General Contractor and Lenders shall enter into an Escrow Agreement. All disbursements of City Funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement with respect to the payment of City Funds hereunder, the terms of this Agreement shall control. The City shall receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement and shall be approved, subject to compliance with Section 8.20(a) hereof, in accordance with the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) **Prior Expenditures.** Only those expenditures made by Brinshore with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DCD and approved by DCD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditures**"). DCD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. **Exhibit I** hereto sets forth the prior expenditures approved by DCD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be paid to Brinshore but shall increase the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) **Subsequent Disbursements.** Disbursements of City Funds for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DCD, being prohibited, subject to the terms of Section 3.04. DCD shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised DCD that an expenditure qualifies as an eligible cost under the Act.

(c) **City Fee.** Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project (the "**City Fee**"). Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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. As a condition to the disbursement of City Funds hereunder, Brinshore shall submit, at the time of submission of the Requisition Form in accordance with Section 4.03(c), supporting documentation regarding the applicable expenditures to DCD, which shall be satisfactory to DCD in its sole discretion. Delivery by Brinshore to DCD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification by the Developer to the City, as of the date of such request for disbursement, that:

(a) the actual amount paid to the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees is equal to or greater than the total amount of the disbursement request;

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

(c) the Developer has approved all work and materials for the current Requisition Form, and such work and materials conform to the Plans and Specifications;

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

(e) 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 and/or liens bonded by the Developer or insured by the Title Company; and

(f) 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.

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, any ordinance pursuant to which TIF Bonds, if any, are issued, the City Housing Loan documents, any tax credit regulatory agreements, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Payment of City Funds. The City Funds being provided hereunder are being provided to Brinshore on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed if the number of Affordable Units at the Facility decreases during the Term of the Agreement. The payment of City Funds is subject to being terminated and/or reimbursed, as provided for in Section 1.

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 DCD, and DCD 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 DCD, and DCD has approved, the Scope Drawings and Plans and Specifications 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 DCD. Such approvals shall include, without limitation, all building permits necessary for the Project.

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 other sources set forth in Section 4.01) to complete the Project. The Developer has delivered to the City a copy of the Escrow Agreement. Any liens against the Property in existence at the Closing Date and recorded prior to this Agreement 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 pro forma copy of the Title Policy for the Property, certified by the Title Company, showing HLLLC 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 F hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Developer has provided to DCD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements, including any reciprocal easement agreements, and encumbrances of record with respect to the Property not addressed, to DCD'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 (a) the Developer's names, (b) Hairpin Lofts Manager, LLC, and (c) Anixter (collectively, the "Related Entities") as follows:

Secretary of State	UCC search
Secretary of State	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments (including bankruptcy)
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer, the Property, the Related Entities or any fixtures now or hereafter affixed thereto, except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company.

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 DCD.

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.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to DCD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05 hereof.

5.11 Financial Statements. The Developer has provided Financial Statements to DCD for its most recently completed fiscal year, and audited, if any, or unaudited interim financial statements for the period after the end of the most recently completed fiscal year.

5.12 Documentation. Developer will have provided documentation to DCD, satisfactory in form and substance to DCD concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project.

5.13 Environmental. The Developer has provided DOE with copies of all environmental reports completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such report(s), authorizing the City to rely on such reports. If required under Section 11.03, the Developer has taken all necessary and proper steps to enroll the Property in the SRP. The City agrees to reasonably cooperate with the Developer in Developer's efforts to satisfy this condition, at no cost to the City.

5.14 Organizational Documents; Economic Disclosure Statement. The Developer has provided, as applicable, a copy of its Articles of Incorporation or Organization, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization 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; by-laws of the Developer; and such other organizational 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 DCD, 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. The City has approved the Developer's selection of _____, an [Illinois _____], as the General Contractor. The Developer shall submit copies of the Construction Contract to DCD in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DCD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with **Section 6.01** above, for DCD'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 DCD 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 the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an A rating or better using a bond (American Institute of Architect's Form No. A311 or its equivalent) or a letter of credit. 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 8.07** (Employment Profile), **Section 8.08** (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 DCD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF REHABILITATION

7.01 Certificate of Completion.

(a) Upon (i) satisfaction of the conditions set forth in **Section 7.01(c)** hereof, and (ii) upon Developer's written request, DCD 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.

(b) DCD shall respond to the Developer's written request for a Certificate within forty-five (45) 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.

(c) Developer acknowledges that the City will not issue a Certificate until the following conditions have been met:

(i) the Developer has given the City written notification that the Project, including all of the TIF-Funded Improvements, has been completed;

(ii) the Developer has provided DCD with evidence acceptable to DCD showing that Developer has completed the Project in compliance with the plans and specifications and all building permit requirements, including, without limitation, receipt of certificate(s) of occupancy for one hundred percent (100%) of the Units of the Project;

(iii) in accordance with Section 8.20, the COC Occupancy Covenant is met and the Occupancy Report has been approved; and

(iv) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of Section 8.08 (Prevailing Wage) and Section 10 (Developer's Employment Obligations).

(d) Developer acknowledges that the City will not issue a Certificate if there exists an Event of Default under Section 15.01 which has not been cured pursuant to Section 15.03 or Section 15.04.

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, 8.18, 8.19, 8.20, 8.21 and 11.04 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. 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;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing such 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; and

(c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the City Housing Loan or the TIF Bonds, if any.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DCD 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) HLLLC is an Illinois limited liability company and Brinshore is an Illinois corporation, each duly organized, validly existing, qualified to do business in Illinois, and each 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) each of HLLLC and Brinshore has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate (as applicable) its Articles of Organization, by-laws or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which 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, HLLLC 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 and/or liens bonded by the Developer or insured by the Title Company, 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 the Certificate pursuant to **Section 7.01**, the Developer shall not do any of the following without the prior written consent of DCD, which consent shall be in DCD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except the lease of the Facility to tenants in accordance with **Section 8.19** herein) 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); (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;

(k) the Developer has not incurred, and, prior to the issuance of the Certificate pursuant to **Section 7.01**, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company; 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;

(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;

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("**Owners**"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("**Contractors**"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

8.02 Covenant to Redevelop. Upon DCD'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 Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or the Developer, including, without limitation, all Environmental Laws. 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 the 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 Brinshore shall be used by Brinshore solely to pay for (or to reimburse Brinshore for its payment for) 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 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 "TIF Bonds"); provided, however, that the proceeds of bonds issued on a tax-exempt basis cannot be used as a source of City Funds or to repay the City Funds, and provided, further, 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 TIF 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 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, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Sections 8.08 and 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.08, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.08 Prevailing Wage. Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the City Housing Loan or Lender Financing, 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 8.08.

8.09 Arms-Length Transactions. Unless the City 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 DCD's request, prior to any such disbursement.

8.10 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 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.

8.11 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.

8.12 Financial Statements. The Developer shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended December 31, 2008 and for each year thereafter within 90 days after the end of such fiscal year 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 DCD may request.

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

8.14 Non-Governmental Charges. (a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company, 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 DCD, within thirty (30) days of DCD's request, official receipts from the appropriate entity, or other proof satisfactory to DCD, 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 8.14**); or

(ii) at DCD's sole option, to furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD 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.

8.15 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 DCD 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.

8.16 Compliance with Laws.

(a) **Representation.** 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 Laws 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.

(b) **Covenant.** Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.17 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. 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.

8.18 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, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or 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, counties of the State other than Cook County, and municipalities other than the City), including any/all penalties, fees, and interest associated thereto, 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. 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 DCD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DCD's sole option,

(i) the Developer shall demonstrate to DCD'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

(ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD 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 DCD thereof in writing, at which time DCD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DCD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DCD deems advisable. All sums so paid by DCD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DCD 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. The Developer agrees that for the purpose of this Agreement, the minimum assessed value of the City Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference. The assessed value attributed to the Property is a portion of the Minimum Assessed Valuation shown on Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect; provided, however, nothing contained in this provision shall preclude Developer from applying for and receiving any reduction in the amount of real estate taxes payable for the Project or the Property, subject to the provisions of clause (iii) below.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount allocated by the Cook County Assessor's Office for the Property from the total of the Minimum Assessed Value as shown in Exhibit K; provided, however, the Developer is permitted to apply for a Class 9 or a Class L designation from Cook County even if such designation with respect to the Property would result in an assessed value below the Minimum Assessed Value allocated for the Property.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the amount allocated by the Cook County Assessor's Office for the Property from the total Minimum Assessed Value as shown in Exhibit K; provided, however, the Developer is permitted to apply for a Class 9 or a Class L designation from Cook County.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.18(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale (including, without limitation, any sale and leaseback), lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof, including the transfer of title from Anixter to HLLLC, shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.18(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.18(c).

8.19 Affordable Housing Covenant. The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a Lender, the provisions of that certain Regulatory Agreement executed by and between the Developer and DCD 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;

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

(c) All of the Affordable Units in the Facility have monthly rents, payable by the respective tenant, at or below 60% of the Chicago-area median income 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 8.19, 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 sixty percent (60%) 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 8.19 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 8.19.

8.20 Occupancy; Permitted Uses.

Developer shall cause the lease of 75% of the Units on or before the date of request for and at the date issuance of the Certificate of Completion (the "COC Occupancy Covenant"). At the time the COC Occupancy Covenant is met and for each Reporting Period, the Developer shall deliver a compliance report to the satisfaction of the City, which shall include a certified tenant rent roll along with such other information as the City shall request (the "Occupancy Report"), demonstrating, among other things, compliance with Section 8.19 hereof. Developer shall cause the Facility to be used in accordance with Section 8.19 hereof and the Redevelopment Plan. The covenants contained in this Section 8.20 shall run with the land and be binding upon any transferee for the term of this Agreement.

8.21 Annual Report. Developer shall provide to DCD an Annual Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications to evidence that all ongoing requirements have been satisfied during the preceding reporting period. The Annual Report shall be submitted each year, for ten (10) years, on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "Reporting Period"). Failure by the Developer to submit the Annual Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in this Section 8.21 shall run with the land and be binding upon any transferee for the term of this Agreement.

8.22 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 pursuant to any City rider to the Construction Contract, 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 DCD 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 DCD, 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 DCD, 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. 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, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), 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 hard costs of construction as set forth in the construction contract approved by DCD (the "MBE/WBE Budget") shall be expended for contract participation by MBEs and by WBEs:

- (1) At least twenty-four percent (24%) by MBEs.
- (2) At least four percent (4%) by WBEs.

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) 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" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services 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**. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor with a non MBE/WBE General Contractor or subcontractor without the prior written approval of DCD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff 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 the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(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 Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this **Section 10.03** shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this **Section 10.03**. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this **Section 10.03**, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this **Section 10.03** to the City's monitoring staff, 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 the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this **Section 10.03**, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided 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

11.01 "AS IS" SALE. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

11.02 The Developer hereby represents and warrants to the City that the Developer has performed a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E1527-05 standard ("Phase I") and other environmental studies sufficient to conclude that the Project may be rehabilitated, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the ordinance authorizing the City Housing Loan, all ordinances authorizing the issuance of the TIF Bonds, if any, and the Redevelopment Plan. The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property.

11.03 Environmental Remediation. Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, DOE shall have the right to review and approve the Phase I and any other reports prepared for the Property. Upon DOE's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project, including, without limitation, updating or expanding the Phase I and performing initial or additional Phase II testing. If the environmental reports for the Property disclose the presence of contaminants exceeding TACO Tier I residential remediation objectives on or under the Property, the Developer shall enroll the Property in the IEPA's SRP Program and take all necessary steps to obtain a Draft NFR Letter. Unless DOE

determines that it is not necessary to enroll the Property in the SRP, the Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and DOE approves, a Draft NFR Letter. After DOE approves the Draft NFR Letter, the Developer covenants and agrees to complete all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws ("Environmental Remediation"). If Environmental Remediation is required on the Property, the Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The City shall have the right to approve the ROR, RAP and RACR for the Property and any changes or modifications thereto, which approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Environmental Remediation. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation.

11.04 Release and Indemnification. The Developer, on behalf of itself and anyone claiming by, through or under it, hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

11.05 Release Runs with the Land. The covenant of release in Section 11.04 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of its current or former officers, directors,

employees, agents, predecessors, successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because Section 11.04 contains a full, complete and final release of all such claims.

11.06 Survival. This Section 11 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must 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.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, 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 (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the 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 basis.

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(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 must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence.

Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. 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. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the Property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Community Development, Development Support Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, 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 Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, cancelled, or non-renewed by the insurer; provided, however, 10 days prior written notice shall be given to the City in the event that coverage is cancelled for non-payment of insurance premiums.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractor(s).

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change 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 "Indemnitees") 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 Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees 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 or any of their respective agents, officers, directors, equity holders, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate;

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

(v) any act or omission by Developer or any Affiliate.

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 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 or any related agreement;

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity (after any applicable notice and cure period) if such failure may have a material adverse effect on the Developer's business, property (including the Property or the Project), assets (including the Property or the Project), 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 and/or liens bonded by the

Developer or insured by the Title Company, 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, including but not limited to a Funding Lender Event of Default as set forth in the City Housing Agreement, 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;

(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) the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City; provided however, transfers of investor member interests or the removal of the managing member, in each case in accordance with HLLLC's operating agreement shall require only notice to the City.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a natural person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of HLLLC's operating interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend payment of and/or seek reimbursement of the 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. To the extent permitted by law, the City may also lien the Property.

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, except as set forth elsewhere in this Agreement, 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, except as set forth elsewhere in this Agreement, 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, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of and default made or tendered by HLLLC's managing member or investor member shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

15.04 Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such Event of Default as follows:

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

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.04(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 30 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 30 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Funds shall occur until such time as such Personal Developer Default is cured.

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 F 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) 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 of the Certificate pursuant to Section 7.01 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 DCD.

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 Community 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: Hairpin Lofts, LLC and Brinshore 2800 Corp.
c/o Brinshore Development LLC
666 Dundee Road, Suite 1102
Northbrook, IL 60062
Attention: Richard Sciortino

With Copies To: Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, IL 60607
Attention: Debra A. Kleban

And to: [Senior Lender(s)]
[ADDRESS]
[CITY], [STATE] [ZIP CODE]
Attention: [NAME, TITLE]

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. 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, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer or any successor in interest to Developer in the event of any default or breach by the City or for any amount which may become due to Developer or any successor in interest, from the City 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 TIF 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 satisfactory to the City.

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DCD or the Commissioner, or any matter is to be to the City's, DCD'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, DCD 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 DCD 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 permitted in accordance with a Permitted Lien, 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 8.18 (Real Estate Provisions) and 8.22 (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.

18.23 Date of Performance. If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding business day.

18.24 Construction of Words. The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to".

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.

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christine Raguso, personally known to me to be the Acting Commissioner of the Department of Community Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___th day of _____, _____.

Notary Public

My Commission Expires _____

[(Sub)Exhibits "D", "E", "I", "J" and "L" referred to in this Hairpin Lofts Apartments Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "A", "B", "C", "F", "G", "H" and "K" referred to in this Hairpin Lofts Apartments Redevelopment Agreement read as follows:

(Sub)Exhibit "A".
(To Hairpin Lofts Apartments Redevelopment Agreement)

Redevelopment Area Legal Description.

Legal Description For Fullerton/Milwaukee T.I.F. District.

Parcel 1:

That part of Sections 22, 23, 25, 26, 27, 35 and 36, Township 40 North, Range 13, East of the Third Principal Meridian, in the City of Chicago, Cook County, Illinois, more particularly described as follows:

commencing at the northwest corner of the northwest quarter of aforesaid Section 26 (intersection of the centerlines of West Belmont Avenue and North Pulaski Road); thence southward along the west line of said northwest quarter of Section 26, 166.00 feet, more or less, to the centerline of a 16 foot wide public alley, extended west (south of West Belmont Avenue); thence eastward along said centerline of vacated alley 33 feet to the east line of said North Pulaski Road for the point of beginning; thence eastward along the centerline of said vacated alley to the west line of North Springfield Avenue; thence south along the said west line of North Springfield Avenue 8.00 feet to the northeast corner of Lot 35 in Chas. Seeger's Subdivision of Lot 1 of Haussen and Seeger's Addition according to the plat thereof recorded March 26, 1912 as Document Number 23771; thence eastward across said North Springfield Avenue to the northwest corner of Lot 11 in aforesaid Chas. Seeger's Subdivision; thence eastward 126.1 feet, more or less to the northeast corner of said Lot 11; thence southeasterly along the southwesterly line of a 16 foot wide public alley to the northwesterly line of North Avers Avenue; thence northeasterly along the northwesterly line of said North Avers Avenue to the southwesterly line of North Milwaukee Avenue; thence southeasterly along the southwesterly line of said North Milwaukee Avenue to the northwesterly line of North Hamlin Avenue; thence southwesterly along the northwesterly line of said North Hamlin Avenue to the southwesterly line of a 16 foot wide aforesaid public alley (southwesterly of North Milwaukee Avenue); thence southeasterly along the southwesterly line of a 16 foot wide public alley to the northwesterly line of another 16 foot wide public alley (southeasterly of North Ridgeway Avenue) said point also being the most easterly corner of Lot 10 in John B. Dawson's Subdivision in the east half of the northwest quarter of said Section 26; thence southwesterly along said northwesterly line of a 16 foot wide public alley to the southwesterly line of West Oakdale Avenue, said point also being the most easterly corner of Lot 22 of aforesaid John B. Dawson's Subdivision; thence southeasterly along the southwesterly line of said West Oakdale Avenue to the northeast corner of Lot 57 in aforesaid John B.

Dawson's Subdivision; thence eastward along the south line of said West Oakdale Avenue to the west line of North Central Park Avenue; thence southward along the west line of said North Central Park Avenue to the south line (extended west) of a 16 foot public alley south of North Milwaukee Avenue; thence eastward across said North Central Park Avenue along the said extended line to the northwest corner of Lot 47 of Block 1 in Wm. E. Hatterman's Milwaukee Avenue Subdivision in the west half of the northeast quarter of said Section 26; thence eastward along the north line of said Lot 47, 103.65 feet to the northeast corner of said Lot 47; thence southeasterly along the northeasterly line of said Lot 47, 27.1 feet to a bend point in the east line of said Lot 47; thence southward along the east lines of Lots 43, 44, 45, 46 and 47 in Block 1 of said Wm. E. Hatterman's Milwaukee Avenue Subdivision to the north line of Lot 17 extended west in aforesaid Block 1; thence eastward along the said north line of Lot 17 of Block 1, 120.8 feet; thence southeasterly along the northeasterly line of aforesaid Lot 17, 19.2 feet, more or less, to the west line of North Drake Avenue; thence continuing southeasterly along the prolongation of last described course across said North Drake Avenue to the east line of said North Drake Avenue; thence southward along the east line of said North Drake Avenue to the northwest corner of Lot 28 of Block 2 in said Wm. E. Hatterman's Milwaukee Avenue Subdivision; thence eastward along said north line of Lot 28, 76.1 feet; thence southeasterly along the northeasterly lines of Lots 27 and 28 of said Block 2 to the southeast corner of said Lot 27; thence continuing southeasterly along the prolongation of the last described course, said prolongation also being the northeasterly lines of Lots 19 and 20 of said Block 2 to the northeast corner of said Lot 19 of Block 2; thence southward along the east line of said Lot 19 extended south to the south line of West Wolfram Street; thence eastward along said south line of West Wolfram Street to the southwesterly line of a 16 foot wide public alley (southwesterly of North Milwaukee Avenue); thence southeasterly along said southwesterly line of 16 foot wide public alley to the west line of said public alley; thence southward along the west line of said 16 foot wide public alley to the south line of another 16 foot wide public alley north of West Diversey Avenue; thence eastward along the south line of said 16 foot wide public alley to the northeast corner of Lot 27 in Block 3 in aforesaid Wm. E. Hatterman's Milwaukee Avenue Subdivision; thence southward along the east line (extended south) of said Lot 27 in Block 3 to the south line of West Diversey Avenue; thence eastward along the south line of said West Diversey Avenue to the west line of a 14 foot wide public alley (east of North St. Louis Avenue) in the east half of the west half of the southeast quarter of aforementioned Section 26; thence southward along the west line of said 14 foot public alley to the north line extended west of Lot 36 of Block 1 of Story's Milwaukee Avenue Subdivision of the northeast 15 acres of the west half of the southeast quarter of said Section 26; thence eastward along north lines of Lots 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47 and 48 of Block 1 of said Story's Milwaukee Avenue Subdivision to the east line of another 14 foot wide

public alley west of North Kimball Avenue; thence northward along the east line of said 14 foot wide public alley to the northwest corner of Lot 6 of said Block 1 of Story's Milwaukee Avenue Subdivision; thence eastward along the north line of said Lot 6 to the west line of North Kimball Avenue said point also being the northeast corner of said Lot 6 of Block 1 in Story's Milwaukee Avenue Subdivision; thence southward along the west line of said North Kimball Avenue to the northeasterly line of Lot 17 extended northwesterly in Milwaukee and Diversey Subdivision according to the plat thereof recorded March 29, 1924 as Document Number 8339078; thence southeasterly along said extended northeasterly line of Lot 17 to the most northern corner of said Lot 17, said northeasterly line of Lot 17 also being the southwesterly line of a 16 foot wide public alley; thence southeasterly along the southwesterly line of said 16 foot wide public alley extended southeasterly to the northeast corner of Lot 39 in Garrett's Third Logan Square Subdivision of part of Lot 2 in Garrett's Subdivision; thence easterly across North Spaulding Avenue to the southwesterly corner of Lot 2 in Garrett's Subdivision of part of the east half of the southeast quarter of said Section 26; thence southeasterly along the southwesterly line of said Lot 2 to the north line of Lot 1 in Garrett's Subdivision of Lot 1 and the north 20 feet of Lot 2 in Hitt and Others' Subdivision, said point is 120.40 feet east of the northwest corner of Said Lot 1; thence eastward along the north line of said Lot 1 to the west line of North Sawyer Avenue; thence southward along the west line of said North Sawyer Avenue to the south line of the north 5 feet of Lot 5 in aforesaid Garrett's Subdivision of Lot 1 and the north 20 feet of Lot 2 in Hitt and Others' Subdivision; thence eastward across said North Sawyer Avenue to the most northern corner of Lot 23 in Hitt and Others' Subdivision of 39 acres on the east side of the east half of the southeast quarter of said Section 26; thence southeasterly along the southwesterly line of a 16 foot wide alley southwesterly of North Milwaukee Avenue to the east line of Lot 4 in the resubdivision of Lots 28 to 30 of Block 3 in Hitt and Others' Subdivision; thence southward along the east line of said Lot 4 extended south to the north line of Lot 1 in Himes and Frank's Resubdivision of Lots 31 and 32 of Block 3 in Hitt and Others' Subdivision; thence eastward along the north line of said Lot 1 to the northeast corner of said Lot 1; thence southward along the east lines of Lots 1, 2, 3, 4, 5 and 6 in aforesaid Himes and Frank's Resubdivision to the southeast corner of said Lot 6; thence continuing southward across West Wrightwood Avenue to the northeast corner of Lot 1 in Kittner's Subdivision of the north half of Lot 1 of Block 6 in Hitt and Others' Subdivision; thence southward along the east lines of Lots 1, 2 and 3 in said Kittner's Subdivision to the southeast corner of said Lot 3 of Kittner's Subdivision; thence continuing southward along the east lines of Lots 1, 2 and 3 in the subdivision of the south half of Lot 1 of Block 6 in Hitt and Others' Subdivision to the south line of the north 5 feet of said Lot 3; thence eastward along the said south line of north 5 feet (extended east) of said Lot 3 to the west line of North Kedzie Avenue, said point being 125 feet west of the east line of the

southeast quarter of said Section 26; thence eastward across the 250 feet wide said North Kedzie Avenue to the northwest corner of Lot 13 of Block 2 in subdivision of Lots 4 and 6 in County Clerk's Division according to the plat thereof recorded July 7, 1885 as Document Number 637899; thence south along the east line of North Kedzie Avenue to the south line of a public alley north of West Linden Place; thence eastward along the south line of said public alley to a bend point; thence continuing southeasterly along and by following the southwesterly line of said public alley to the most easterly corner of Lot 38 of Block 1 in said subdivision of Lots 4 and 6 in County Clerk's Division; thence southwesterly along the southeasterly line of said Lot 38 to the northeasterly line of North Linden Place; thence southeasterly along the northeasterly line of said North Linden Place to the most southern corner of Lot 50 of Block 1 in said subdivision of Lots 4 and 6 in County Clerk's Division; thence northeasterly along the southeasterly line of said Lot 50 to the north line of West Linden Place; thence eastward along the north line of said West Linden Place to the west line of North Sacramento Avenue; thence north along the west line of said North Sacramento Avenue to the southwesterly line of North Milwaukee Avenue; thence southeasterly along the southwesterly line extended southeasterly of said North Milwaukee Avenue to the north line of West Fullerton Avenue, said point also being the most eastern corner of Lot 17 in the subdivision of Block 6 in George A. Seavern's Subdivision according to the plat thereof recorded July 23, 1889 as Document Number 1132552; thence westward along the north line of said West Fullerton Avenue to the east line of North Sacramento Avenue; thence continuing westward across said North Sacramento Avenue to the southeast corner of Lot 37 of Block 2 in Ingham's Subdivision according to the plat thereof recorded March 19, 1873 as Document Number 88703; thence continuing westward along the north line of West Fullerton Avenue to the most southern corner of Lot 1 in Carrie B. Gilbert's Subdivision according to the plat thereof recorded April 4, 1906 as Document Number 3841277; thence westward across North Albany Avenue to the southeast corner of Lot 40 of Block 5 in the subdivision of Lots 4 and 6 in County Clerk's Division, recorded July 7, 1885 as Document Number 637899, said point also being on the north line of West Fullerton Avenue; thence westward along the north line of said West Fullerton Avenue to the southwest corner of Lot 24 of Block 5 in aforesaid subdivision of Lots 4 and 6 in County Clerk's Division; thence westward across said North Kedzie Avenue to the southeast corner of Lot 23 of Block 7 in Hitt and Others' Subdivision of 39 acres on the east side of the east half of the southeast quarter of said Section 26; thence westward along the south line of said Lot 23 to the southwest corner of said Lot 23, said southwest corner is also on the east line of 20 feet wide public alley west of North Kedzie Avenue; thence northward along the east line of said 20 feet wide public alley to the north line (extended east) of another 16 feet wide public alley north of West Fullerton Avenue; thence westward along the north line extended west of said 16 foot wide public alley to the west line of North Sawyer Avenue; thence southward along the

west line of said North Sawyer Avenue to the southeast corner of Lot 2 in J. Fuerman's Subdivision of Lots 16 to 22 of Block 8 in Hitt and Others' Subdivision; thence westward along the south line of said Lot 2, 111.5 feet to a bend point in the south line of said Lot 2; thence northwesterly along the southerly line of said Lot 2 to the southeast corner of Lot 1 in aforesaid J. Fuerman's Subdivision; thence westward along the south line of said Lot 1 extended west to the west line of 16 foot wide public alley, west of North Sawyer Avenue; thence southward along the west line of said 16 foot wide public alley to the southeast corner of Lot 137 in Dezens's Logan Square Subdivision of Lot 3 in Garrett's Subdivision; thence westward along the south line of said Lot 137 to the southwest corner of said Lot 137; thence westward across North Spaulding Avenue to the southeast corner of Lot 66 in aforesaid Dezens's Logan Square Subdivision; thence westward along the south line of said Lot 66 to the southwest corner of said Lot 66; thence continuing westward across the 16 foot wide public alley west of North Spaulding Avenue to the southeast corner of Lot 53 in aforesaid Dezens's Logan Square Subdivision; thence continuing westward along the south line of said lot (extended west) to the west line of North Kimball Avenue; thence southward along the west line of said North Kimball Avenue to the north line of West Fullerton Avenue; thence continuing southward across West Fullerton Avenue to the northeast corner of Lot 1 of Block 1 in Allport's Subdivision according to the plat thereof recorded on page 185 in Book 7; thence southward along the west line of said North Kimball Avenue to the south line (extended west) of a 16 foot wide public alley (south of West Fullerton Avenue and on the east side of said North Kimball Avenue); thence eastward along the south line (extended east and west) of said 16 feet wide public alley to the east line of another 16 foot wide public alley west of North Kedzie Avenue; thence northward along said east line of 16 foot wide public alley to the northwest corner of Lot 3 of Block 1 in C. N. Shipman, W. A. Bill and N. A. Merrill's Subdivision of the east half of the northeast quarter of said Section 35; thence eastward along the north line of said Lot 3 to the northeast corner of said Lot 3; thence continuing eastward across North Kedzie Avenue to the northwest corner of Lot 6 of Block 1 in Blanchard's Subdivision of that part of the north 22 rods of the northwest quarter of said Section 36; thence eastward along the north line of said Lot 6 to the west line of a 16 foot wide public alley east of said North Kedzie Avenue, said point also being the northeast corner of said Lot 6; thence southward along the west line (extended south) of said 16 foot wide public alley to the south line of West Belden Avenue; thence eastward along the south line of said West Belden Avenue to the east line extended south of North Albany Avenue; thence northward along said (extended south) east line of North Albany Avenue to the south line of a 16 foot wide public alley south of West Fullerton Avenue; thence eastward along the south line of said 16 foot wide public alley to the east line of another 16 foot wide public alley west of North Sacramento Avenue; thence northward along the east line of said 16 foot wide public alley to the north line of the south 11.00 feet of Lot 6 in Block 2 in

aforesaid Blanchard's Subdivision; thence eastward along said north line of the south 11.00 feet of Lot 6 to the east line of said Lot 6; thence continuing eastward across said North Sacramento Avenue to the northwest corner of Lot 7 in Block 3 in the subdivision of Lots 13 and 14 in John McGovern's Subdivision according to the plat thereof recorded August 24, 1872 as Document Number 51791; thence eastward along the north line of said Lot 7 in Block 3 to the northeast corner of said Lot 7 in Block 3, said point is also on the west line of 16 foot wide public alley east of North Sacramento Avenue; thence southward along the west line of said 16 foot wide public alley extended south to the south line of West Medill Avenue; thence eastward along the south line of said West Medill Avenue to the southwesterly right-of-way line of Chicago Transit Authority Railroad, southwesterly of North Milwaukee Avenue; thence southeasterly along the southwesterly right-of-way line of said Chicago Transit Authority Railroad to the north line of West Belden Avenue; thence southward across said West Belden Avenue to the northwest corner of Lot 5 in M. Moore's Subdivision of Lot 19 in John McGovern's Subdivision according to the plat thereof recorded October 22, 1886 as Document Number 765587; thence southward along the west line of said Lot 5 to the southwest corner of said Lot 5; thence eastward along the south lines of Lots 5, 4, 3, 2 and 1 in aforesaid M. Moore's Subdivision to the southeast corner of Lot 1 in said M. Moore's Subdivision; thence southward along the east line (extended south) of said Lot 1 in M. Moore's Subdivision to the north line of Lot 28 of Block 1 in J. Johnston, Jr.'s Subdivision according to the plat thereof recorded November 28, 1881 as Document Number 361265; thence eastward along the north lines of Lots 28, 29, 30, 31, 32, 33 and 34 of Block 1 in said J. Johnston, Jr.'s Subdivision to the southwesterly right-of-way line of aforesaid Chicago Transit Authority railroad; thence southeasterly along the southwesterly right-of-way line of said Chicago Transit Authority railroad to the north line of West Lyndale Street; thence westward along the north line of said West Lyndale Street to the east line (extended north) of the west 0.11 feet of Lot 33 of Block 2 in aforesaid J. Johnston, Jr.'s Subdivision; thence southward along the east line of the west 0.11 feet of said Lot 33 of Block 2 to the north line of 16 foot wide public alley south of West Lyndale Street; thence continuing southward across said 16 foot wide public alley to the northeast corner of Lot 50 of Block 2 in aforesaid J. Johnston, Jr.'s Subdivision; thence southward along the east line (extended south) of said Lot 50 of Block 2 to the south line of West Palmer Street; thence eastward along the south line (extended east) of said West Palmer Street to the east line of 66 foot wide North California Avenue; thence northward along the east line of said North California Avenue to the southwesterly right-of-way line of Chicago Transit Authority railroad, southwesterly of North Milwaukee Avenue; thence southeasterly by following the Southwesterly right-of-way line of said Chicago Transit Authority railroad to the southeasterly line of Lot 138 in White and Cole's Resubdivision of Block 1 of S. Stave's Subdivision recorded in Book 173, page 18; thence southwesterly along the southeasterly line of said Lot 138 to the northeasterly line of North Bingham Street, said point is also the most

southern corner of said Lot 138; thence northwesterly along the northeasterly line of said North Bingham Street to the most southern corner of Lot 107 in said White and Cole's Resubdivision; thence southwesterly across said North Bingham Street to the most eastern corner of Lot 106 in said White and Cole's Resubdivision; thence continuing southwesterly along the southeasterly line of said Lot 106 to the northeasterly line of North Stave Street, said point is also the most southern corner of said Lot 106; thence northwesterly along the northeasterly line of said North Stave Street to the south line (extended east) of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the south line (extended east) of said public alley across said North Stave Street to the southeasterly line of Lot 12 in Gray and Adam's Subdivision of Lots 1 to 9 and 28 to 30 of Block 4 in S. Stave's Subdivision according to the plat thereof recorded August 5, 1881 as Document Number 342922; thence northeasterly along the southeasterly line of said Lot 12 to the most eastern corner of said Lot 12; thence northwesterly along the northeasterly line of said Lot 12 to the most northern corner of said Lot 12, said corner is also the most eastern corner of Lot 27 of Block 4 in S. Stave's Subdivision according to the plat thereof recorded in Book 85, page 19; thence continuing northwesterly along the northeasterly lines of Lots 27, 26, 25, 24, 23, 22, 21, 20 and 19 of Block 4 in said S. Stave's Subdivision to the southeasterly line of West Frances Place, said point also being the most northern corner of said Lot 19; thence southwesterly along the southeasterly line (extended southwesterly) of said West Frances Place to the southwesterly line of North Point Street; thence southeasterly along the southwesterly line of North Point Street to the most eastern corner of Lot 20 of Block 7 in aforesaid Attrill's Subdivision, said point is also being on the north line of a public alley north of West Armitage Avenue; thence westward along the north line of said public alley to the most southerly corner of Lot 24 of Block 7 in aforesaid Attrill's Subdivision; thence northwesterly along the southwesterly line of said Lot 24 of Block 7 to the most western corner of said Lot 24, said corner is also being on the southeasterly line of Lot 35 of Block 5 in aforementioned W. O. Cole's Subdivision; thence southwesterly along the southeasterly lines of Lots 35, 34, and 33 to the most southern corner of said Lot 33 of Block 5; thence northwesterly along the southwesterly line (extended northwesterly across West Frances Place) to the north line of said West Frances Place; thence westward along the south line of said West Frances Place to the east line of North California Avenue; thence northward along the east line of said North California Avenue to the south line (extended east) of West McLean Avenue; thence westward along the south line of said West McLean Avenue to the west line of a 13 foot wide public alley (east of North Mozart Street); thence southward along the west line of said public alley 150 feet to the north line of another public alley; thence westward along north line of said public alley to the east line of North Mozart Street; thence westward across said North Mozart Street to the southeast corner of Lot 1 of Block 11 in Hoeps and Kerff's Resubdivision of Blocks 8 and 11 in the town of Schleswig, according to the plat thereof recorded July 25, 1890 as Document Number

1307724, said corner is also being on the north line of a 17 foot wide public alley north of West Armitage Avenue; thence westward along the north line of said 17 foot wide public alley to the west line of another 16 foot wide public alley, east of North Humboldt Boulevard; thence southward along the west line of said 16 foot wide public alley to the north line of another 16 foot wide public alley, north of West Armitage Avenue; thence westward along the north line of said 16 foot wide public alley to the southwest corner of Lot 31 in Parkway Addition, a resubdivision of Lots 5 to 10, inclusive, in each of Blocks 4, 9 and 10 in the town of Schleswig and the vacated alleys and one-half of a street adjacent to said lots, et cetera, in the east half of the northwest quarter of said Section 36; thence northward along the west line of Lots 31, 30 and 29 in aforesaid Parkway Addition to the northwest corner of said Lot 29 in said Parkway Addition; thence westward across said North Humboldt Boulevard to a point of intersection of the west line of said North Humboldt Boulevard with the south line of the north half of Lot 40 in Palmer Place Addition, a subdivision of part of the southwest quarter of the northwest quarter of said Section 36; thence westward along the said south line extended west of the north half of Lot 40 to the west line of a 16 foot wide public alley east of North Whipple Street; thence southward along the west line of said public alley to the southeast corner of Lot 54 in aforesaid Palmer Place Addition; thence westward along the south line of said Lot 54 to the southwest corner of said Lot 54; thence northward along the west line of said Lot 54 to the north line extended east of a 16 foot wide public alley north of West Armitage Avenue; thence westward along said north line extended east and west of 916 foot wide public alley to the west line of North Albany Avenue; thence southward along the west line of said North Albany Avenue to the centerline of a vacated alley north of West Armitage Avenue, according to the plat of vacation thereof recorded as Document Number 20127605; thence westward along the centerline of said vacated alley to a line 129.667 feet west of and parallel with the west line of said North Albany Avenue; thence northward along said parallel line to the south line of Lot 16 of Block 3 in Clarkson's Subdivision of part of the southwest quarter of the northwest quarter of said Section 36; thence westward along the south line of said Lot 16 extended west to the centerline of a 16 foot wide vacated alley east of North Kedzie Avenue; thence northward along the centerline extended north of said vacated alley to the south line extended east of Lot 19 in the plat of the west 10 acres of the west 30 acres of the south 91.7 acres of the northwest quarter of said Section 36; thence westward along said south line extended east of Lot 19 to the southwest corner of said Lot 19; thence continuing westward across North Kedzie Avenue to the northeast corner of Lot 4 of Block 1 in Ovitt's Resubdivision of Block 12 of Shipman, Bill and Merrill's Subdivision in the east half of the northeast quarter of said Section 35; thence southward along the east line of Lots 4, 5 and 6 of said Block 1 to the southeast corner of said Lot 6; thence westward along the south line of said Lot 6 to the southwest corner of said Lot 6; thence northward along the west line of said Lot 6 to the north line extended east of a 14 foot wide public alley north of West Armitage Avenue; thence westward along the north line extended

east and west of said 14 foot wide public alley to the west line of another 14 foot wide public alley east of North Sawyer Avenue; thence southward along the said west line of a 14 foot wide public alley to the north line of another 14 foot wide public alley north of West Armitage Avenue; thence westward along the north line of said 14 foot wide public alley to the east line of North Sawyer Avenue; thence northward along the east line of said North Sawyer Avenue to the north line extended east of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the north line (extended east) of said 16 foot wide public alley to the west line of North Spaulding Avenue; thence southward along the west line of said North Spaulding Avenue to the north line of West Armitage Avenue; thence westward along the north line of said West Armitage Avenue to the east line of North Kimball Avenue; thence northward along the east line of said North Kimball Avenue to the north line of a 16 foot wide public alley north of said Armitage Avenue; thence westward along the north line (extended west) of said public alley to the west line of North Kimball Avenue; thence south along the west line of said North Kimball Avenue to the north line of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the north line of said 16 foot wide alley to the east line of North St. Louis Avenue; thence westward across North St. Louis Avenue to the southeast corner of Lot 61 in the subdivision of the south quarter of the west one-third of the northeast quarter of said Section 35, said point also is on the north line of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the north line (extended west) of said 16 foot wide public alley to the west line of North Drake Avenue; thence southward along the west line of said North Drake Avenue to the north line of West Armitage Avenue; thence westward along the north line of said West Armitage Avenue to the east line of North Central Park Avenue; thence northward along the east line of said North Central Park Avenue to the north line of West Mclean Avenue; thence westward along the north line of said West Mclean Avenue to the west line (extended north) of the east 9 feet of Lot 58 of Block 8 in Jackson's Subdivision of Blocks 7 and 8 of Hambleton's Subdivision in the east half of the northwest quarter of said Section 35; thence southward along the said west line (extended north) of the said east 9 feet to the north line of a 16 foot wide vacated public alley north of said West Armitage Avenue; thence westward along the north line of said public alley to the east line extended north of Lot 90 of Block 7 in said Jackson's Subdivision; thence southward along the east of said Lot 90 to the north line of West Armitage Avenue; thence westward along the north line of said West Armitage Avenue to the west line (extended north) of North Ridgeway Avenue; thence southward across West Armitage Avenue along the west line of said North Ridgeway Avenue extended north to the south line of a 16 foot wide public alley south of said West Armitage Avenue; thence eastward along said south line extended east to the west line of North Lawndale Avenue; thence eastward across said North Lawndale Avenue to the northwest corner of Lot 12 of Block 2 in S. Delamater's Subdivision according to the plat thereof recorded August 1, 1885 as Document Number 643538, said point is also on the south line of a 16 foot wide public alley; thence eastward

along the south line of said 16 foot wide public alley to the west line of North Central Park Avenue; thence southward along the west line of said North Central Park Avenue to the south line extended west of a 16 foot wide public alley south of West Armitage Avenue; thence continuing eastward along the south line extended west of said 16 foot wide public alley to the west line of North Kimball Avenue; thence eastward across said North Kimball Avenue to the northwest corner of Lot 16 in Winkelman's Subdivision of Block 3 of E. Simon's Subdivision according to the plat thereof recorded on February 15, 1899 as Document Number 2785137, said point is also on the south line of a 16 foot wide public alley; thence eastward along the south line of said 16 foot wide public alley to the west line of North Spaulding Avenue; thence eastward across said North Spaulding Avenue to the northwest corner of Lot 16 of Block 2 in Winkelman's Subdivision of part of Blocks 2 and 11 of E. Simon's Subdivision according to the plat thereof recorded September 5, 1888 as Document Number 1000737, said point is also on the south line of a 16 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said 16 foot wide public alley to the west line of North Kedzie Avenue; thence eastward across said North Kedzie Avenue to the northwest corner of Lot 16 of Block 1 in Nils F. Olson's Subdivision according to the plat thereof recorded January 14, 1887 as Document Number 790005, said corner is also on the south line of a 14 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said 14 foot wide public alley to the northeast corner of Lot 6 of Block 1 in S. Delamater's Subdivision according to the plat thereof recorded on February 5, 1884 as Document Number 523563; thence southward along the east line of said Lot 6 to the south line (extended west) of a 16 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said 16 foot wide public alley to the west line of North Whipple Street; thence eastward across North Whipple Street to the northwest corner of Lot 42 of Block 1 in Alva Trowbridge and Others' Subdivision according to the plat thereof recorded August 1, 1872 as Document Number 51139; thence eastward along the north line of said Lot 42 of Block 1 to the northeast corner of said Lot 42; thence eastward to the northwest corner of Lot 7 of Block 1 in said Alva Trowbridge and Others' Subdivision; thence eastward along the north line of said Lot 7 of Block 1 to its northeast corner; thence eastward across North Humboldt Boulevard along the north line extended east of said Lot 7 to the east line of said North Humboldt Boulevard; thence northward along the east line of said North Humboldt Boulevard to the south line of Lot 24 of Block 4 in Hansbrough and Hess Subdivision of the east half of the southwest quarter of said Section 36; thence eastward along the south line of said Lot 24 to its southeast corner; thence continuing eastward across the 14 foot wide public alley to the southwest corner of Lot 1 of Block 4 in said Hansbrough and Hess Subdivision; thence eastward along the south line of said Lot 1 of Block 4 to its southeast corner, said corner is also on the west line of North Richmond Street; thence southward along the west line of said North Richmond Street to the north line (extended west) of Lot 22 of Block 3 in said Hansbrough and Hess

Subdivision; thence eastward along said north line extended west to the northeast corner of said Lot 22 of Block 3; thence continuing eastward along said north line (extended east) to the east line of a 14 foot wide public alley west of North Francisco Avenue; thence northward along the east line of said alley to the north line of the south half of Lot 2 of Block 3 in said Hansbrough and Hess Subdivision; thence eastward along the said north line of the south half of Lot 2 of Block 3 to the west line of North Francisco Avenue; thence continuing east along said north line (extended east) of the south half of Lot 2 to the west line of a 14 foot wide public alley east of North Francisco Avenue; thence southward along the west line of said 14 feet wide public alley to the most north line (extended west) of Lot 3 of Block 2 in said Hansbrough and Hess Subdivision; thence eastward along the said most north line extended west to the northwest corner of said Lot 3 of Block 2; thence eastward along said most north line 25.05 feet; thence southward along a line parallel to North Mozart Street 4.5 feet; thence eastward along the north line (extended east) of said Lot 3 of Block 2 to the east line of North Mozart Street; thence northward along the east line of said North Mozart Street to the southwest corner of Lot 24 of Block 1 in said Hansbrough and Hess Subdivision; thence eastward along the south line of said Lot 24 of Block 1 to the west line of a 14 foot wide public alley west of North California Avenue; thence southward along the west line of said 14 foot wide public alley to the north line (extended west) of the south half of Lot 3 of Block 1 in said Hansbrough and Hess Subdivision; thence eastward along said north line (extended west) of the south half of Lot 3 of Block 1 to the west line of North California Avenue; thence eastward across said North California Avenue to the northwest corner of Lot 11 of Block 2 in Edgar M. Snow and Company's Subdivision according to the plat thereof recorded on March 23, 1901 as Document Number 3077922, said corner also lies on the south line of a 16 foot wide alley south of West Armitage Avenue; thence eastward along the south line (extended east) of said 16 foot wide public alley to the east line of North Fairfield Avenue; thence northward along the east line of said North Fairfield Avenue to the south line of West Armitage Avenue; thence eastward along the south line of said West Armitage Avenue to the west line of North Washtenaw Avenue; thence southward along the west line of said North Washtenaw Avenue to the south line (extended west) of a 16 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said public alley to the west line of North Rockwell Street; thence southward along the west line of said North Rockwell Street to the south line of West Homer Street; thence eastward along the south line (extended east) of said West Homer Street to the northeast corner of Lot 7 in the subdivision of Lots 11 to 25 of Subblock 2 of B. F. Jacobs Subdivision; thence southward along the east line extended south of said Lot 7 to the south line of a 16 foot wide public alley south of West Homer Street; thence eastward along the south line of said 16 foot public alley to the northeast corner of Lot 41 in B. F. Jacobs Subdivision of Block 2 of Johnston's Subdivision; thence southward along the east line of said Lot 41 to the north line of West Cortland Street; thence eastward along the north line of said

West Cortland Street to the east line of the west 72 feet of Lot 67 in Johnston's Subdivision of Block 1 of Johnston's Subdivision in the east half of the southeast quarter of said Section 36; thence northward along said east line of the west 72 feet extended north to the north line of a 16 foot wide public alley north of West Cortland Street; thence westward along the north line of said 16 foot wide public alley to the east line of North Campbell Avenue; thence northward along the east of said North Campbell Avenue and across West Homer Street to the north line of said West Homer Street; thence westward along the north line extended east/west of said West Homer Street to a line 167 feet west of and parallel with the west line of said North Campbell Avenue; thence northward along said parallel line a distance of 53 feet; thence eastward along a line 53 feet north of and parallel with the north line 66 feet wide of said West Homer Street, 167 feet to the west line of said North Campbell Avenue; thence northward along the west line of said North Campbell Avenue to the south line (extended west) of Lot 16 in Johnston's Subdivision of Block 1 of Johnston's Subdivision according to the plat thereof recorded on July 18, 1881 as Document Number 338117; thence eastward along said south line (extended west) to the southwest corner of said Lot 16; thence eastward along the south lines of Lots 16, 15, 14, 13 and 12 in said Johnston's Subdivision to the southeast corner of said Lot 12; thence in a northeasterly direction to the southeast corner of Lot 1 in P. Bandow's Resubdivision of Lots 3, 4 and the northwest half of Lot 5 in Block 1 of Johnston's Subdivision, according to the plat thereof recorded on April 16, 1885 as Document Number 6168851, said corner also lies on the northeasterly line of a 10 foot wide public alley; thence southeasterly along the northeasterly line (extended southeasterly) of said 10 foot wide public alley to the south line of aforesaid West Homer Street; thence eastward along the south line of said West Homer Street to the west line of North Western Avenue as widened, said point is also 50 feet west of the east line of the east half of the southeast quarter of said Section 36; thence northward along the west line of said North Western Avenue to the northeast line of 66 foot wide North Milwaukee Avenue; thence northwesterly along northeasterly line of said North Milwaukee Avenue to the south line of West Armitage Avenue; thence eastward along the south line of said West Armitage Avenue to the west line (extended south) of Lot 36 in Powell's Subdivision of Lot 8 in Circuit Court Partition according to the plat thereof recorded on September 5, 1884 as Document Number 572044; thence northward across West Armitage Avenue to the southwest corner of said Lot 36; thence northward along said west line of said Lot 36 and along the east line of a 14 foot wide public alley to the north line (extended east) of another 14 foot wide public alley south of West McLean Avenue; thence westward along the north line (extended east and west) of said 14 foot wide public alley to the east line (extended south) of another 14 foot wide public alley east of North Campbell Avenue; thence northward along the east line (extended south) of said 14 foot wide public alley to the north line (extended east) of a 9 foot wide public alley south of West McLean Avenue; thence westward along the north line (extended east) of said 9 foot wide public alley to the east

line of North Campbell Avenue; thence northward along the east line of said North Campbell Avenue to the south line (extended east) of Lot 6 in Owner's Subdivision according to the plat recorded November 24, 1913 as Document Number 5311027; thence westward across said North Campbell Avenue along the south line (extended east) of said Lot 6 to the southwest corner of said Lot 6; thence northward along the west lines of Lots 6, 5, 4 and 3 in said Owner's Subdivision to the northwest corner of said Lot 3; thence northeasterly along the westerly lines of Lots 2 and 1 in said Owner's Subdivision to the northwest corner of said Lot 1; thence northward along the west line of Lot 104 in V. Wood Subdivision, according to the plat thereof recorded May 10, 1877 as Document Number 134226 to the north line (extended east) of a 16 foot wide public alley south of West Charleston Street; thence westward along the north line (extended east) of said 16 foot wide public alley to the southwest corner of Lot 56 in said V. Wood's Subdivision; thence northward along the west line (extended north) of said Lot 56 to the north line of West Charleston Street; thence west along the north line of said West Charleston Street to the east line of North Maplewood Avenue; thence southwesterly across said North Maplewood Avenue to the southwest corner of Lot 18 in said V. Wood's Subdivision; thence westward along the south line of said Lot 18 to the southwest corner of said Lot 18; thence northward along the west lines of Lots 17, 16, 15, 14, 13 and 12 in said V. Wood's Subdivision to a line 7 feet south of and parallel with the south line (extended east) of Lot 15 in Herman Papsien's Subdivision according to the plat thereof recorded December 17, 1900 as Document Number 3044716; thence westward along said parallel line 10 feet; thence northward 7 feet to the southeast corner of said Lot 15; thence westward along the south line of said Lot 15 to the southwest corner of said Lot 15; thence northward along the lines of Lots 15, 14, 13, 12 and 11 in said Herman Papsien's Subdivision to the northwest corner of said Lot 11; thence continuing northward along the west line (extended north) of said Lot 11 to the southwest corner of Lot 10 in said Herman Papsien's Subdivision; thence westward along the south line (extended west) of said Lot 10 to the southeast corner of Lot 13 in James M. Allen's Subdivision according to the plat thereof recorded April 11, 1882 as Document Number 386837; thence westward along the south line of said Lot 13 to the southwest corner of said Lot 13, said corner is also on the east line of North Rockwell Street; thence southward along the east line of said North Rockwell Street to the southwesterly line (extended southeasterly) of Lot 2 in Powell's Subdivision according to the plat thereof recorded on page 93 of Book 6; thence northwesterly across said North Rockwell Street along said southwesterly line (extended southeasterly) of said Lot 2 to the most southern corner of said Lot 2; thence northwesterly along the southwesterly lines (extended northwesterly) of Lots 2 and 1 in said Powell's Subdivision to the south line of Lot 11 in Gray's Subdivision according to the plat thereof recorded on page 55 of Book 85; thence westward along the south line of said Lot 11 to the southwest corner of said Lot 11, said corner lies on the east line of North Talman Avenue; thence northward along the east line of said North Talman

Avenue to the southwesterly line (extended southeasterly) of Lot 32 of Block 4 in C. E. Woosley's Subdivision according to the plat thereof recorded on May 23, 1881 on page 5 of Book 16; thence northwesterly along the southwesterly line (extended southeasterly) of said Lot 32 of Block 4 to the most southern corner of said Lot 32, said corner also lies on the northeasterly line of a 20 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 20 foot wide public alley to the east line of another 14 foot wide public alley west of said North Talman Avenue; thence northward along the east line (extended north) of said 14 foot wide public alley to the north line of West Lyndale Street; thence westward along the north line of said West Lyndale Street to the east line of North Washtenaw Avenue; thence northward along the east line of said North Washtenaw Avenue to the north line of West Belden Avenue; thence westward along the north line (extended west) of said West Belden Avenue to a bend point which lies on the southeasterly line of Lot 23 of Block 2 in Snowhook's Subdivision according to the plat thereof recorded August 22, 1884 as Document Number 569245; thence southwesterly along the northwesterly line of said West Belden Avenue, said line also is the southeasterly lines of Lots 23 and 24 of Block 2 in said Snowhook's Subdivision to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line extended northwesterly of said North Milwaukee Avenue to the west line of North California Avenue; thence northward along the west line of said North California Avenue to the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly following along the northeasterly, east, northeasterly, north, northeasterly and east line of said 16 foot wide public alley to the south line of West Fullerton Avenue, said point also being the northwest corner of Lot 14 of Block 4 in Snowhook's Subdivision; thence westward along the south line of said West Fullerton Avenue to the east line (extended south) of North Francisco Avenue; thence northward across said West Fullerton Avenue along the east line (extended south) of said North Francisco Avenue to the north line of a 16 foot wide public alley north of said West Fullerton Avenue; thence westward across said North Francisco Avenue along the north line (extended west) of said 16 foot wide public alley to the southeast corner of Lot 27 of Block 7 in George A. Seavern's Subdivision according to the plat thereof recorded May 10, 1886 as Document Number 716003; thence westward along the south line of said Lot 27 of Block 7 to the southwest corner of said Lot 27 of Block 7, said corner also lies on the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 16 foot wide public alley to the southwest corner of Lot 11 of said Block 7; thence continuing northwesterly to the most southern corner of Lot 15 of Block 5 in said George A. Seavern's Subdivision; thence continuing northwesterly along the southwesterly lines of Lots 15, 16, 17 and 18 of said Block 5 to a line 8 feet south of and parallel with the south line of Lot 4 of Block 5 in said George A. Seavern's Subdivision; thence westward along said parallel line to the east line of Lot 1 in resubdivision of Lots 5 and 6 of Block 5 in said George A.

Seavern's Subdivision; thence northward along the east line of said Lot 1 to the northeast corner of said Lot 1; thence westward along the north line of said Lot 1 to the east line of North Sacramento Avenue; thence northward along the east line of said North Sacramento Avenue to the northwest corner of Lot 1 of Block 5 in aforesaid George A. Seavern's Subdivision; thence in a northwesterly direction across said North Sacramento Avenue to the most southern corner of Lot 1 of Block 2 in Storey and Allen's Milwaukee Avenue Addition to Chicago according to the plat thereof recorded February 9, 1872 as Document Number 12639; thence northwesterly along the southwesterly lines of Lots 1 and 3 of said Block 2 to the most westerly corner of said Lot 3; thence northeasterly along the northwesterly line (extended northeasterly) of said Lot 3 of Block 2 to the northeasterly line (extended southeasterly) of North Willetts Court; thence northwesterly along the northeasterly line (extended southeasterly) of said North Willetts Court to the southeasterly line of Lot 1 in Logan Square Addition to Chicago according to the plat thereof recorded November 10, 1881 as Document Number 358316; thence southwesterly along the southeasterly lines of Lots 1 and 2 in said Logan Square Addition to Chicago to the southeast corner of Lot 3 in said Logan Square Addition to Chicago; thence westward along the south line of said Lot 3 to the southwest corner of said Lot 3; thence southwesterly along the southeasterly line of Lot 4 in said Logan Square Addition to Chicago to the southwest corner of said Lot 4; thence westward along the south lines of Lots 5, 6, 7, 8, 9, 10 and 11 to the southwest corner of said Lot 11; thence northwesterly along the southwesterly lines of Lots 12, 13 and 14 in said Logan Square Addition to Chicago to the southwest corner of said Lot 14; thence northward along the west line (extended north) of said Lot 14 to the north line of 250 foot wide West Logan Boulevard; thence westward along the north line of said West Logan Boulevard to the southwest corner of Lot 20 of Block 4 in subdivision of Blocks 1, 2, 3 and 4 in Lot 1 in County Clerk's Division according to the plat thereof recorded December 12, 1894 as Document Number 2146603; thence northward along the west line of said Lot 20 to the southeast corner of Lot 21 of said Block 4; thence westward along the south lines of Lots 21, 22, 23 and 24 of said Block 4 to the southwest corner of said Lot 24 of Block 4; thence westward along the prolongation of the last described course to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said North Milwaukee Avenue to the east line of North Kedzie Avenue; thence northward along the east line of said North Kedzie Avenue to the north line of West Schubert Avenue; thence continuing in a northwesterly direction across said North Kedzie Avenue to the most southern corner of Lot 7 of Block 1 in Hitt and Others' Subdivision of 39 acres on the east side of the east half of the southeast quarter of said Section 26, said corner also lies on the northeasterly line of North Emmet Street; thence northwesterly along the northeasterly line (extended northwesterly) of said North Emmet Street to the northwesterly line of North Sawyer Avenue; thence southwesterly along the northwesterly line of said North Sawyer Avenue to the northeasterly line of a 16 foot wide public

alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 16 foot wide public alley to the most western corner of Lot 1 of Block 4 in Milwaukee and Diversey Subdivision according to the plat thereof recorded March 29, 1924 as Document Number 8339078; thence northeasterly along the northwesterly (extended northeasterly) line of said Lot 1 of Block 4 to the north line of 66 foot wide West Diversey Avenue; thence westward along the north line of said West Diversey Avenue to the east line of North Christiana Avenue; thence northward along the east line of said North Christiana Avenue to the south line (extended east) of Lot 15 of Block 4 in Henry Wisner's Subdivision of Lots 8 and 9 of Brand's Subdivision in the east half of the northeast quarter of said Section 26; thence westward along the south line (extended east) of said Lot 15 of Block 4 to the southwest corner of said Lot 15, said corner also lies on north line of a 14 foot wide public alley north of said West Diversey Avenue; thence continuing westward along the prolongation of the last described course to a bend point in said 14 foot wide alley, said bend point is also the southwest corner of Lot 31 of Block 4 in said Henry Wisner's Subdivision; thence northwesterly along the southwesterly line of said Lot 31 to the most westerly corner of said Lot 31, said corner also lies on the southeasterly line of North Woodward Street; thence northeasterly along the southeasterly line of said North Woodward Street to the southwesterly line (extended southeasterly) of Lot 42 in Storey and Allen's Subdivision of Lot 10 in Brand's Subdivision in the east half of the northeast quarter of said Section 26; thence northwesterly along the southwesterly line (extended southeasterly) of said Lot 42 to the east line of North Kimball Avenue; thence northward along the east line of said North Kimball Avenue to the northwesterly line of North Dawson Avenue; thence southwesterly along the northwesterly line (extended southwesterly) of said North Dawson Avenue to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said North Milwaukee Avenue to the southeasterly line of North Allen Avenue; thence northeasterly along the southeasterly line of said North Allen Avenue to the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 16 foot wide public alley to the most western corner of Lot 60 of Block 2 in Albert Wisner's Subdivision of Lots 13 and 14 in Brand's Subdivision in the west half of the northeast quarter of said Section 26; thence in northwesterly direction across North Elbridge Avenue to the southeast corner of Lot 26 of Block 4 in said Albert Wisner's Subdivision; thence westward along the south line of said Lot 26 of Block 4 to the southwest corner of said Lot 26; thence northward along the west lines of Lots 26 and 25 of said Block 4 to the most northern corner of said Lot 25; thence northwesterly along the southwesterly line of Lot 24 in said Block 4 to the most western corner of said Lot 24; thence westward along the north lines of Lots 27, 28 and 29 in said Block 4 to the northwest corner of said Lot 29, said corner also lies on the east line of North Central Park Avenue; thence northward along the east line of said North Central Park Avenue to the south line (extended east) of Lot 59 in Heafield's Subdivision of Lot 1 in

Davlin, Kelly and Carroll's Subdivision in the east half of the northwest quarter of said Section 26; thence westward along the south line (extended east) of said Lot 59 to the southwest corner of said Lot 59; thence northward along the west line of said Lot 59 to the northwest corner of said Lot 59; thence westward along the south line (extended east) of Lot 45 in said Heafield's Subdivision to the east line of North Monticello Avenue; thence northward along the east line of said North Monticello Avenue to the southwesterly line (extended southeasterly) of Lot 33 in Haentze and Wheeler's Subdivision, according to the plat thereof recorded July 15, 1902 as Document Number 3270736; thence northwesterly along the southwesterly line (extended southeasterly) of said Lot 33 to the most southern corner of said Lot 33, said corner also lies on the west line of said North Monticello Avenue; thence southward along the west line of said North Monticello Avenue to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said North Milwaukee Avenue to the southeasterly line of North Lawndale Avenue; thence northeasterly along the southeasterly line of said North Lawndale Avenue to the east line (extended south) of said North Lawndale Avenue; thence northward along east line of said North Lawndale Avenue to the southwest corner of Lot 23 in Heafield's Subdivision of the west 5 acres of Lot 2 in Davlin, Kelly and Carroll's Subdivision according to the plat thereof recorded March 18, 1902 as Document Number 3218672; thence in a northwesterly direction across said North Lawndale Avenue to the most southern corner of Lot 30 in said Heafield's Subdivision of west 5 acres of Lot 2 in Davlin, Kelly and Carroll's Subdivision; thence continuing northwesterly along the southwesterly line (extended northwesterly) of said Lot 30 to the south line of Lot 22 of Block 1 in Heinemann and Gross' Subdivision of part of Lot 3 in Davlin, Kelly and Carroll's Subdivision according to the plat thereof recorded July 14, 1909 as Document Number 4406409; thence westward along the south line of said Lot 22 of Block 1 to the east line of North Ridgeway Avenue; thence northward the along the east line of said North Ridgeway Avenue to the southwesterly line (extended southeasterly) of Lot 27 of Block 2 in said Heinemann and Gross' Subdivision; thence northwesterly along the southwesterly line (extended southeasterly and northwesterly) of said Lot 27 of Block 2 to the south line of Lot 17 of said Block 2; thence westward along the south line of said Lot 17 of Block 2 to the east line of North Hamlin Avenue; thence northward along the east line of said North Hamlin Avenue to the south line (extended east) of Lot 11 in Wm. J. Sweeney's Subdivision of Lot 6 in Circuit Court Common Division in the west half of the southwest quarter of said Section 23; thence westward along the south line (extended east and west) to the southwest corner of Lot 1 in said Wm. J. Sweeney's Subdivision; thence northwesterly along the southwesterly line (extended northwesterly) of said Lot 1 to the east line of North Avers Avenue; thence westward across said North Avers Avenue along the a line parallel with the south line of said Lot 1 to the west line of 66 foot wide North Avers Avenue; thence northward along the west line of said North Avers Avenue to the north line of a 16 foot wide public alley, south of West School Street; thence westward

along the north line of said 16 foot wide public alley to the east line of North Springfield Avenue; thence southward along the east line of said North Springfield Avenue to the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line (extended northwesterly) of said 16 foot wide public alley to the northwesterly line (extended northeasterly) of said North Springfield Avenue; thence southwesterly along the northwesterly line (extended northeasterly) of said North Springfield Avenue to the northeasterly line of 66 foot wide North Milwaukee Avenue; thence northwesterly along the northeasterly line (extended northwesterly) of said North Milwaukee Avenue to the north line of said West School Street; thence westward along the north line (extended west) of said West School Street to the west line of North Pulaski Road; thence southward along the west line of said North Pulaski Road to the north line of West Melrose Street; thence westward along the north line of said West Melrose Street to the east line (extended north and south) of a 16 foot wide public alley, west of North Pulaski Road; thence southward along the east line (extended north and south) of said 16 foot wide public alley to the south line of 66 foot wide West Belmont Avenue; thence eastward along the south line of said West Belmont Avenue to the west line of a 66 foot wide North Pulaski Road; thence southward along the west line of said North Pulaski Road to a line 133 feet south of and parallel with south line of said West Belmont Avenue; thence eastward along the said parallel line across said North Pulaski Road, 66 feet to the point of beginning, all aforesaid legal description hereby written on this thirtieth day of November 1999, all in Cook County, Illinois.

Parcel 2:

That part of Sections 22, 23, 26 and 27, Township 40 North, Range 13, East of the Third Principal Meridian, in the City of Chicago, Cook County, Illinois, more particularly described as follows:

commencing at the northwest corner of the northwest quarter of aforesaid Section 26 (intersection of the centerlines of West Belmont Avenue and North Pulaski Road); thence southward along the west line of said northwest quarter of Section 26, 166.00 feet, more or less, to the centerline of a 16 foot wide public alley 932 extended west (south of West Belmont Avenue); thence eastward along the said centerline of a vacated alley, 33 feet to the east line of said North Pulaski Road for the point of beginning; thence eastward along the centerline of said vacated alley to the west line of North Springfield Avenue; thence south along the said west line of North Springfield Avenue 8.00 feet to the northeast corner of Lot 35 in Chas. Seeger's Subdivision of Lot 1 of Haussen and Seeger's Addition according to the plat thereof recorded March 26, 1912 as Document

Number 23771; thence eastward across said North Springfield Avenue to the northwest corner of Lot 11 in aforesaid Chas. Seeger's Subdivision; thence southward along the east line of said North Springfield Avenue to the south line extended east of Lot 34 in said Chas. Seeger's Subdivision; thence westward along the south line extended east of said Lot 34 to the southwest corner of said Lot 34; thence westward across a 16 foot wide public alley to the southeast corner of Lot 47 in said Chas. Seeger's Subdivision; thence westward along the south line of said Lot 47 to the east line of North Harding Avenue; thence southward along the east line of said North Harding Avenue to the south line extended east of a 16 foot wide public alley north of West Barry Avenue; thence westward along the south line extended east of said 16 foot wide public alley to the east line of another 16 foot wide public alley west of said North Harding Avenue; thence southward along the east line of said public alley to the south line extended east of another 16 foot wide public alley north of West Barry Avenue; thence westward along the south line extended east of said 16 foot wide public alley to the east line of North Pulaski Road; thence southward along the east line of said North Pulaski Road to the south line of said West Barry Avenue; thence westward along the south line extended east of said West Barry Avenue to the east line of a 16 foot wide public alley west of said North Pulaski Road; thence northward across said West Barry Avenue to the southeast corner of Lot 4 in Collins and Gauntlett's 40th Avenue and Noble Avenue Addition to Chicago in the east half of the northeast quarter of said Section 27; thence northward along the east line of said Lot 4 to its northeast corner; thence westward along the north line of said Collins and Gauntlett's 40th Avenue and Noble Avenue Addition to Chicago to the west line of North Karlov Avenue; thence northward along the west line of said North Karlov Avenue to the south line of a 16 foot wide public alley south of West Belmont Avenue; thence westward along the south line of said 16 foot wide public alley to the east line of North Tripp Avenue; thence northward along the east line extended north of said North Tripp Avenue to the north line of West Belmont Avenue; thence eastward along the north line of said West Belmont Avenue to the east line of a 16 foot wide public alley west of North Pulaski Road; thence southward along the east line, extended south, of said 16 foot wide public alley to the south line of said West Belmont Avenue; thence eastward along the south line of said south line of West Belmont Avenue to the west line of a 66 foot wide North Pulaski Road; thence southward along the west line of said North Pulaski Road to a line 133 feet south of and parallel with the south line of said West Belmont Avenue; thence eastward across North Pulaski Road along the said parallel line a distance of 66 feet to the point of beginning, all aforesaid legal description hereby written on this twentieth day of December 2004, all in Cook County, Illinois.

(Sub)Exhibit "B".

(To Hairpin Lofts Apartments Redevelopment Agreement)

Property Legal Description.

(Subject To Final Title And Survey)

Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois taken as a tract less and except that part thereof described below:

Commercial Parcel C1.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: beginning at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 19.49 feet; thence north 00 degrees, 25 minutes, 27 seconds, east 18.03 feet; thence north 89 degrees, 34 minutes, 33 seconds, west 7.63 feet; thence north 00 degrees, 25 minutes, 27 seconds, east 11.99 feet; thence north 89 degrees, 34 minutes, 33 seconds, west 4.00 feet; thence north 00 degrees, 25 minutes, 27 seconds, east 10.76 feet; thence north 40 degrees, 25 minutes, 27 seconds, east 3.79 feet; thence north 44 degrees, 28 minutes, 25 seconds, west 0.33 feet; thence north 40 degrees, 25 minutes, 27 seconds, east 13.46 feet; thence south 49 degrees, 34 minutes, 33 seconds, east 9.98 feet; thence north 41 degrees, 06 minutes, 29 seconds, east 47.07 feet to the northeasterly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 49 degrees, 29 minutes, 35 seconds, west 25.94 feet; thence south 40 degrees, 30 minutes, 25 seconds, west 58.83 feet; thence south 00 degrees, 17 minutes, 06 seconds, east 55.21 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C2A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago

City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds, west along the westerly line of said tract 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds, east along the westerly line of said tract 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds, east along the northeasterly line of said tract 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds, west 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds, west 6.33 feet; thence north 41 degrees, 06 minutes, 29 seconds, east 40.45 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds, east 6.33 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C2B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +48.77 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 25.86 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds, west 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds, east 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds, east 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds, west 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds, east 4.52 feet; thence north 17 degrees, 06 minutes, 59 seconds, east 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds, west 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds, west 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds, west 6.62 feet; thence north 49 degrees, 34 minutes, 33 seconds, west 9.98 feet; thence south 40 degrees, 25 minutes, 27 seconds, west 12.54 feet; thence north 44 degrees, 28 minutes, 25 seconds, west 15.54 feet to the westerly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 40 degrees, 30 minutes, 25 seconds, east 58.26 feet; thence south 49 degrees, 29 minutes, 35 seconds, east 155.53 feet; thence north 89 degrees, 36 minutes, 08 seconds, west 130.34 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue

Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds, west along the westerly line of said tract 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds, east along the westerly line of said tract 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds, east along the northeasterly line of said tract 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds, west 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds, west 6.33 feet; thence south 41 degrees, 06 minutes, 29 seconds, west 8.10 feet; thence south 00 degrees, 05 minutes, 32 seconds, east 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds, east 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds, west 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds, east 6.43 feet; thence north 17 degrees, 06 minutes, 59 seconds, east 9.02 feet; thence north 41 degrees, 06 minutes, 29 seconds, east 38.96 feet to the northeasterly line of said tract; thence north 49 degrees, 29 minutes, 35 seconds, west, 6.36 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 25.86 feet; thence north 00 degrees, 05 minutes, 28 seconds, west 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds, east 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds, east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds, west 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds, east 4.52 feet to the point of beginning; thence north 17 degrees, 06 minutes, 59 seconds, east 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds, west 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds, west 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds, west 6.62 feet; thence south 41 degrees, 06 minutes, 29 seconds, west 1.48 feet; thence south 00 degrees, 05 minutes, 32 seconds, east 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds, east 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds, west 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds, east 6.02 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial parcel C3C.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying above a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 38.38 feet; thence north 00 degrees, 23 minutes, 52 seconds, east 37.27 feet to the point of beginning; thence north 72 degrees, 38 minutes, 41 seconds, west 6.02 feet; thence north 17 degrees, 19 minutes, 36 seconds, east 1.77 feet; thence north 72 degrees, 19 minutes, 30 seconds, west 8.06 feet; thence north 00 degrees, 05 minutes, 32 seconds, west 3.58 feet; thence north 41 degrees, 06 minutes, 29 seconds, east 24.57 feet; thence south 49 degrees, 23 minutes, 45 seconds, east 10.92 feet; thence south 41 degrees, 06 minutes, 29 seconds, west 12.00 feet; thence south 17 degrees, 06 minutes, 59 seconds, west 12.42 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3D.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds, west 39.51 feet; thence north 89 degrees, 53 minutes, 21 seconds, east 20.59 feet to the point of beginning; thence south 79 degrees, 14 minutes, 48 seconds, east 11.05 feet; thence north 40 degrees, 25 minutes, 27 seconds, east, 11.95 feet; thence north 49 degrees, 23 minutes, 47 seconds, west 17.53 feet; thence south 41 degrees, 06 minutes, 29 seconds, west 17.48 feet; thence north 49 degrees, 23 minutes, 47 seconds, west 12.24 feet; thence north 41 degrees, 06 minutes, 29 seconds, east 22.48 feet; thence south 49 degrees, 23 minutes, 47 seconds, east 29.70 feet; thence north 40 degrees, 25 minutes, 27 seconds, east 3.98 feet; thence south 49 degrees, 34 minutes, 33 seconds, east 22.00 feet; thence south 40 degrees, 25 minutes, 27 seconds, west 13.01 feet; thence north 79 degrees, 14 minutes, 48 seconds, west 33.32 feet; thence north 00 degrees, 05 minutes, 28 seconds, west 4.07 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3E.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 north, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +108.66 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds, west 19.23 feet to the point of beginning; thence south 89 degrees, 34 minutes, 33 seconds, east 20.58 feet; thence north 00 degrees, 05 minutes, 28 seconds, west 20.47 feet; thence south 89 degrees, 53 minutes, 21 seconds, west 20.59 feet; thence south 00 degrees, 06 minutes, 39 seconds, east 20.28 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C3F.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds, west 19.23 feet to the point of beginning; thence south 89 degrees, 34 minutes, 33 seconds, east 22.56 feet; thence south 00 degrees, 25 minutes, 27 seconds, west 9.67 feet; thence north 89 degrees, 34 minutes, 33 seconds, west 22.47 feet; thence north 00 degrees, 06 minutes, 39 seconds, west 9.67 feet to the point of beginning, in Cook County, Illinois.

Also except,

Commercial Parcel C4.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago

City Datum and lying within its horizontal boundary projected vertically and described as follows: commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds, east along the south line of said tract 34.39 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds, west 10.27 feet; thence north 89 degrees, 34 minutes, 33 seconds, west 1.08 feet; thence north 01 degrees, 20 minutes, 08 seconds, west 7.60 feet; thence north 17 degrees, 06 minutes, 59 seconds, east 29.15 feet; thence north 41 degrees, 06 minutes, 29 seconds, east 38.96 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds, east along the northeasterly line of said tract 116.90 feet to the east most corner of said tract; thence north 89 degrees, 36 minutes, 08 seconds, west along the south line of said tract 121.81 feet to the point of beginning, in Cook County, Illinois.

(Sub)Exhibit "C".

(To Hairpin Lofts Apartments Redevelopment Agreement)

T.I.F.-Funded Improvements.

Line Item	Cost
Construction	\$[7,083,403]
TOTAL:	\$[7,083,403]*

(Sub)Exhibit "F".

(To Hairpin Lofts Apartments Redevelopment Agreement)

Permitted Liens.

1. Liens or encumbrances against the Property:

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

* The maximum amount of City Funds provided to the Developer shall not exceed Five Million Nine Hundred Forty-one Thousand Seven Hundred Seventy Dollars (\$5,941,770).

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

[None.]

(Sub)Exhibit "G".
(To Hairpin Residential Redevelopment Agreement)

Project Budget.

Hairpin Residential Budget.

Acquisition	1
Hard Costs:	
Rehab/Construction	\$7,083,403
Contractor General Conditions	425,004
Contractor Overhead	141,668
Contractor Profit	425,004
Construction Contingency	708,340
Performance Bond	191,252
Interim Costs (Construction Period):	
Construction Period Insurance	\$ 22,000
Construction Interest	800,000
Construction Period Taxes	10,000
Construction Loan/Bond Origination (1%)	66,600
Professional Services:	
Architect-Design	\$ 179,972

Architect-Supervision	\$60,000
Structural/Civil Engineer	24,440
Landscape Design	3,120
Historic Consultant	6,600
Historic Engineer	56,800
L.E.E.D. Commissioning	44,400
Accounting	15,000
Appraisal	9,500
Market Study	8,060
Physical Needs Assessment	3,363
Environmental Report and Testing	3,740
Marketing and Leasing	40,000
F, F & E/Amenities	10,000
Fees:	
Title and Recording	\$22,400
Building Permit Fees	25,891
Utility Connections	24,000
Survey	13,648
Legal Fees	401,630
Lender's Inspection Fee	14,000
Escrows and Reserves:	
Real Estate Escrow	\$ 9,800
Insurance Escrow	4,900
Working Cap/Leasing Reserve	35,000

B. This paragraph B sets forth and is a true and complete statement of all costs of T.I.F.-Funded Improvements for the Project reimbursed by the City to date:

\$ _____

C. Brinshore requests reimbursement for the following cost of T.I.F.-Funded Improvements:

\$ _____

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

2. 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.

3. The Developer is operating the Property for the same use as described in the Developer's T.I.F. application and/or the Redevelopment Agreement.

4. The financial statements for the Developer's most recently-concluded fiscal year are attached to this Requisition Form or have previously been provided to the City.

F. Attached hereto is a copy of the most recently available report (or final approval with respect to the Final Installment only) of the Monitoring and Compliance Division of the Department of Community Development with respect to M.B.E./W.B.E., City Resident hiring and prevailing wage matters.

G. Attached hereto is a copy of the inspecting architect's confirmation of construction completion, or percentage of completion, as applicable [Only For Final Installment].

H. Attached hereto is documentation establishing full payment of the last installment of real estate taxes due prior to the date hereof.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement.

[Developer]

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this _____
day of _____, _____.

My commission expires: _____.

Agreed and Accepted:

Name: _____

Title: _____

City of Chicago
Department of Planning and Development

[Attachments referred to in this Requisition Form
unavailable at time of printing.]

(Sub)Exhibit "K".
(To Hairpin Lofts Apartments Redevelopment Agreement)

*Minimum Assessed Valuations.**

13-26-225-015	\$80,807
13-26-225-016	\$139,346

* Represents the equalized assessed valuation for tax year 1998, which is the equalized assessed valuation of such Parcel on the date of establishment of the Redevelopment Area.

*Exhibit "H".
(To Ordinance)*

Hairpin Retail Redevelopment Agreement.

This Hairpin Retail Redevelopment Agreement (this "**Agreement**") is made as of this _____ day of _____, 20____, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development ("**DCD**"), Hairpin Retail, LLC, an Illinois limited liability company ("**HRLLC**"), and Brinshore 2800 Corp., an Illinois corporation ("**Brinshore**" and collectively with HRLLC, the "**Developer**").

RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "**State**"), the City has the 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 "**City Council**") adopted the following ordinances on February 16, 2000: (1) "Approval of Tax Increment Redevelopment Plan for Fullerton/Milwaukee Redevelopment Project Area;" (2) "Designation of Fullerton/Milwaukee Redevelopment Area as Tax Increment Financing District;" and (3) "Adoption of Tax Increment Allocation Financing for Fullerton/Milwaukee Redevelopment Project Area" (the "**TIF Adoption Ordinance**"), and adopted "Amendment Number 1

to Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project" on May 11, 2005 ("Amendment Number 1")(such ordinances collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above as amended by Amendment Number 1 (collectively, the "**Redevelopment Area**") is legally described in Exhibit A hereto.

D. The Project: Brinshore has acquired from the City (the "Acquisition"), and shall subsequently transfer to HRLLC, approximately 15,000 square feet located within the Redevelopment Area as legally described on Exhibit B hereto (the "**Property**"), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (the "**Project**"): rehabilitation of portions of the first and second floors of an a six-story elevator building (the "**Facility**") on the Property, which will consist of approximately 7,000 square feet of retail space on first floor and approximately 8,000 square feet of space for an art center on the second floor in accordance with the requirements set forth in Section 8.19 hereof and related common areas. The Facility shall have partial geo-thermal heating and cooling, a high-efficiency building envelope, low VOC interior paints, low-flow plumbing fixtures, and high efficiency insulated windows. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project is located in the Redevelopment Area and will be carried out in accordance with this Agreement and the City of Chicago Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan (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(iii) 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. The City, as of the Closing Date, shall allocate and appropriate the amounts set forth in Section 4.03(iii) for payment of the Redevelopment Project Costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes (as defined below) pursuant to an ordinance at a later date as described in Section 8.05 hereof, the proceeds of which 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. Prior TIF Financing: Pursuant to a note ordinance adopted by the City Council on October 2, 2002, the City issued its Tax Increment Allocation Revenue Note (Fullerton/Milwaukee Redevelopment Project) Taxable Series 2002, dated December 2002, in the amount of \$700,000 to The Northern Trust Company, secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Small Business Improvement Fund for the Redevelopment Area (the "**Northern Trust Note**").

Pursuant to an ordinance adopted by the City Council on October 6, 2005, the City entered into a redevelopment agreement dated as of February 16, 2006, with Footwear Factory Development Corp., an Illinois corporation, 3963 West Belmont Residential Property, L.L.C., an Illinois limited liability company, and 3927 West Belmont Commercial Property, L.L.C., an Illinois

limited liability company (collectively the "**Footware Factory Developer**"), for the issuance of a note to the Footware Factory Developer in the aggregate principal amount not to exceed \$8,000,000 secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Footware Factory project (the "**Footware Factory Obligation**").

Pursuant to a bond ordinance adopted by the City Council on December 13, 2006 the City issued \$8,735,000 in aggregate principal amount of General Obligation Bonds (Modern Schools Across Chicago Project), Series 2007E, dated as of January 1, 2007, for which ad valorem taxes levied for repayment will be abated with, along with certain incremental taxes from various other redevelopment project areas, Incremental Taxes (the "Modern Schools Bonds").

Pursuant to an ordinance adopted by the City Council on _____, 20__ (the "**Hairpin Lofts Ordinance**"), the City authorized entering into a redevelopment agreement with Hairpin Lofts, LLC, (the "**Hairpin Lofts Developer**") dated as of even date herewith, whereby the City pledged certain Incremental Taxes for the payment of redevelopment project costs in an amount not to exceed \$5,941,770 from the incremental taxes in connection with the Hairpin Lofts Apartments project (the "**Hairpin Lofts Obligation**").

The Northern Trust Note, the Footware Factory Obligation, the Modern Schools Bonds and the Hairpin Lofts Obligation are collectively referred to herein as the "**Prior TIF Financings**". The Developer acknowledges that the Prior TIF Financings are prior liens on the Fullerton/Milwaukee TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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.

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

"Annual Report" shall mean the report described in **Section 8.21** hereof.

"Available Incremental Taxes" shall mean the 90% of the Incremental Taxes then on deposit in the Fullerton/Milwaukee TIF Fund as reduced to reflect the amount of the City Fee.

"Certificate" shall mean the Certificate of Completion 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 Property" shall have the meaning set forth in the Hairpin Lofts Ordinance.

"City Fee" shall have the meaning set forth for such term in Section 4.05(c) hereof.

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

"Closing Date" shall mean _____, 20__.

"COC Occupancy Covenant" shall have the meaning set forth for such term in Section 8.20 hereof.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, 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.

"Deed" shall have the meaning set forth in Section 3.13(b) hereof.

"DOE" shall mean the City's Department of Environment.

"Draft NFR Letter" shall mean a draft comprehensive "no further remediation" letter from the IEPA for the Property, or any portion thereof, based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

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

"Environmental Laws" shall mean any and all Laws relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"Environmental Remediation" has the meaning set forth in **Section 11.03**.

"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, with respect to each construction phase undertaken, the construction escrow agreement to be entered into by the Title Company (or an affiliate of, or an entity as an agent of, the Title Company), the General Contractor, the Developer, the Lender(s) and the City, substantially in the form of **Exhibit L** attached hereto, which shall govern the funding of the Equity, the Lender Financing, and the City Funds.

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

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

"Final NFR Letter" shall mean a final comprehensive "no further remediation" letter from the IEPA approving the use of the Property for the construction, development and operation of the Project.

"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.

"Fullerton/Milwaukee 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.

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

"Hairpin Lofts Developer" shall have the meaning set forth in the Recitals hereof.

"Hairpin Lofts Ordinance" shall have the meaning set forth in the Recitals hereof

"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, lead-bearing substance and asbestos in any form or condition.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"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 Fullerton/Milwaukee TIF

Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal.

"Lender" shall mean any provider of Lender Financing.

"Lender Financing" shall mean funds borrowed by either one of the Developer from any lender to fund costs of, and available to pay for, the Project, in the amount set forth in **Section 4.01** hereof.

"Losses" shall mean any and all debts, liens, claims, actions, causes of action, suits, demands, complaints, legal or administrative proceedings, losses, damages, assessments, obligations, liabilities, executions, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, Remediation Costs, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

"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, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Budget" shall mean the budget 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 F** 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.

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

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

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

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

"Purchase Price" shall have the meaning set forth in **Section 3.13(a)**.

"RACR" shall mean a Remedial Action Completion Report submitted to the IEPA in connection with a request for a Final NFR Letter.

"RAP" shall mean the Remedial Action Plan submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"ROR" means the Remediation Objectives Report submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"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.

"Released Claims" shall have the meaning set forth for such term in **Section 11.04** hereof.

"Remediation Costs" shall mean governmental or regulatory body response costs, natural resource damages, property damages, and the costs of any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon.

"Reporting Period" shall have the meaning as set forth in **Section 8.21** hereof.

"Requisition Form" shall mean the document, in the form attached hereto as **Exhibit H**, to be delivered by the Developer to DCD pursuant to **Section 4.03** of this Agreement

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

"SRP" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"Surplus" shall have the meaning set forth in **Section 4.03(c)(iii)**.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 75 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).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2024, the date on which the Redevelopment Area is no longer in effect.

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

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

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to reimburse and/or pay for out of the City Funds, subject to the terms of this Agreement. **Exhibit C** lists the TIF-Funded Improvements for the Project.

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

"Title Company" shall mean _____.

"Title Policy" shall mean a title insurance policy, including all 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 if applicable), contiguity (as applicable), location, access and survey, in the most recently revised ALTA or equivalent form, showing the HRLLC as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"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, related to the Procurement Program or the Construction Program, as applicable.

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 June 1, 2010; and (ii) complete construction no later than June 1, 2012.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DCD and DCD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD 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 as in effect on the date of this Agreement and all applicable Laws. 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 DCD, and DCD has approved, a Project Budget showing total costs for the Project in an amount not less than [Three Million Two Hundred Sixty-Eight Thousand Three Hundred Forty-Two Dollars and 00/100 (\$3,268,342)]. The Developer hereby certifies to the City that (a) the Lender Financing and Equity described in **Section 4.01** hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay of completion of the Project in excess of 90 days, (c) changes the basic use of the Project, or (d) permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to DCD for DCD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of DCD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

3.05 DCD Approval. Any approval granted by DCD 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 DCD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DCD 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 DCD'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 DCD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date reflecting a delay in excess of 90 days being considered a Change Order, requiring DCD's written approval pursuant to **Section 3.04**). The Developer shall provide three (3) copies of an updated Survey to DCD upon the request of DCD or any Lender, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DCD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DCD, prior to requests for disbursement for costs related to the Project. With the written consent of DCD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DCD.

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. DCD 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 and subject to waivers authorized by City Council, 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 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) **Purchase Price.** The City hereby agrees to sell, and Brinshore hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the land write down amount of One and no/100 Dollars (\$1.00) (the "**Purchase Price**"), which is to be paid to the City on the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. Brinshore shall subsequently transfer the Property to HRLLC, and such transfer shall be subject to the terms, conditions and covenants of this Agreement. The Developer acknowledges and agrees that the Purchase Price is based on an appraisal prepared in 2010 valued at approximately \$1,565,000 which is the total amount of the land write down of the Property, and the City has only agreed to sell the Property to Brinshore for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions. The City's transfer of the Property to Brinshore, or any other business entity, is subject to the City's review and approval of any Reciprocal Easement Agreement that is made by Brinshore and/or HRLLC with the Hairpin Lofts Developer in connection with the adjoining Hairpin Lofts Apartments residential development.

(b) Form of Deed. The City shall convey the Property to Brinshore by quitclaim deed (the "Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) all leases of record and not shown of record, including the (1) Lease Agreement dated May 12, 1987, amended by a Lease Amendment/Extension Agreement dated May 8, 1997, a Lease Amendment/Extension Agreement dated July 30, 2002, and a letter dated March 6, 1998 with Payless Shoesource, Inc.; (2) Facilities Space Lease dated May 10, 2006, as amended by Amendment Number One to Facilities Space Lease dated May 25, 2007 with United States Cellular Operating Company of Chicago, LLC as Lessee; and (3) Rooftop Lease With Option with VoiceStream GSM I Operating Company as Lessee, recorded on October 23, 2007 with the Offices of the Cook County Recorder as Document No. 0729647129 (collectively, the "Leases");
- (vi) such other title defects as may exist; and
- (vii) any and all exceptions caused by the acts of the Developer or its agents.

(c) Title and Survey. The Developer acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating such title commitments (including all search, continuation and later-date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate tax liens attributable to taxes due and payable prior to the Closing Date with respect to the Property, the City shall submit to the County a tax abatement letter and/or file a motion to vacate a tax sale in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall have no further duties with respect to any such taxes. The Developer shall furnish the City with three (3) copies of the survey at Developer's sole cost and expense.

(d) The Land Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless the Developer has satisfied all conditions precedent set forth in this Agreement, unless DCD, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

(e) Recording Costs. The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to Brinshore.

(f) Assignment of Leases. The City shall convey all of its rights, title and interest in the Leases by delivering an assignment of Leases to Brinshore on the Closing Date (the "Assignment of Leases"). Brinshore shall then assign its interests thereunder to HRLLC.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be [\$3,268,342], to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

[Lender Financing	\$ 800,000
TIF	\$ 1,210,000
Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	
Tax Credits (New Market and Historic)	\$ 995,000
Developer Equity	\$ 193,342
Lease Income	\$ 70,000
ESTIMATED TOTAL	\$ 3,268,342]

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or to reimburse Brinshore 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 reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.07(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Payment of City Funds.

- i. 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 (the "City Funds") from Available Incremental Taxes to pay for and/or reimburse Brinshore for the costs of the TIF-Funded Improvements in the amounts determined under Section 4.03(c).
- ii. The City's financial commitment to provide Available Incremental Taxes for such purposes (the "City Funds") shall be as follows:
 - a. \$171,900 shall be placed in Escrow from Available Incremental Taxes on May 1, 2010;
 - b. \$300,000 shall be placed in Escrow from Available Incremental Taxes on or about October 1, 2010;
 - c. \$561,339 shall be placed in Escrow from Available Incremental Taxes on or about December 1, 2010; and

- d. \$176,761 placed in Escrow from Available Incremental Taxes on or about March 1, 2011.

In no event shall any funds set forth in (a) through (d) above be placed into Escrow before the Closing Date. If the Closing Date is after one or more funding dates set forth in (a) through (d) above, the funds that would have been paid on such date(s) shall be paid placed in Escrow on the Closing Date; provided, however, to the extent Available Incremental Taxes are determined to be insufficient to meet the payment schedule set forth in (a) through (d) above, the City shall make such deposit(s) as such Available Incremental Taxes become available. Payment of City Funds from Available Incremental Taxes are subject to the Prior TIF Financings. The City retains the right to fund other projects within the Redevelopment Area using Available Incremental Taxes so long as such funding would not, based upon the City's projections and uses of Available Incremental Taxes at the time the City agrees to provide such funding, result in the amount of Available Incremental Taxes being insufficient to fund the City's obligations under this Agreement.

- iii. Subject to the terms and conditions of this Agreement, payment shall be made to Brinshore (each, an "Installment") in accordance with the terms of the Escrow Agreement and upon Brinshore's submission of a draw request (the "Requisition Form") in accordance with Section 4.03(c). Such Installments shall be in the amount set for in Section 4.03(c); provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed One Million, Two Hundred Ten Thousand Dollars and 00/100 (\$1,210,000).
- iv. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement and the Escrow Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement or the Escrow Agreement.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the conditions set forth in parts (i), (ii), (iii) and (iv) above, as well the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.20. In the event that such conditions are not fulfilled, the amount of Lender Financing and/or Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall be increased, as necessary, to complete the Project.

(c) Payment Amount. (i) The Installments, to be paid pursuant to a draw request in accordance with the Escrow Agreement and upon submission of a Requisition Form, shall be as follows:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	Upon the later of 25% completion or July 1, 2010	\$171,900
Two	Upon the later of 50% completion or December 1, 2010	\$300,000
Three	Upon the later of 75% completion or February 1, 2011	\$561,339
Four	Certificate of Completion Issued Pursuant to <u>Section 7.01</u> herein	\$176,761

(ii) Any delay in the construction completion date greater than six (6) months from the date set forth in Section 3.01(ii) shall result in the City no longer being obligated to reserve Available Increment in anticipation of paying Installments in accordance with Section 4.03(c)(i).

(iii) To the extent that the actual Project costs are less than the budgeted Project costs as set forth in Project Budget (such amount being a "Surplus"), the City Funds can be reduced or reimbursed to the City (as the case may be) by the amount of the Surplus, in accordance with the terms of the Escrow Agreement.

4.04 Construction Escrow. The City, the Developer, the Title Company, the General Contractor and Lenders shall enter into an Escrow Agreement. All disbursements of City Funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement with respect to the payment of City Funds hereunder, the terms of this Agreement shall control. The City shall receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement and shall be approved, subject to compliance with Section 8.20(a) hereof, in accordance with the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Brinshore with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DCD and approved by DCD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DCD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DCD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be paid to Brinshore but shall increase the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) Subsequent Disbursements. Disbursements of City Funds for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DCD, being prohibited, subject to the terms of Section 3.04. DCD shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised DCD that an expenditure qualifies as an eligible cost under the Act.

(c) City Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project (the "City Fee"). Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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. As a condition to the disbursement of City Funds hereunder, Brinshore shall submit, at the time of submission of the Requisition Form in accordance with **Section 4.03(c)**, supporting documentation regarding the applicable expenditures to DCD, which shall be satisfactory to DCD in its sole discretion. Delivery by Brinshore to DCD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification by the Developer to the City, as of the date of such request for disbursement, that:

(a) the actual amount paid to the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees is equal to or greater than the total amount of the disbursement request;

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

(c) the Developer has approved all work and materials for the current Requisition Form, and such work and materials conform to the Plans and Specifications;

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

(e) 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 and/or liens bonded by the Developer or insured by the Title Company; and

(f) 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.

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, any ordinance pursuant to which TIF Bonds, if any, are issued, the City

Housing Loan documents, any tax credit regulatory agreements, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Payment of City Funds. The City Funds being provided hereunder are being provided to Brinshore on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed, as provided for in Section 1.

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 DCD, and DCD 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 DCD, and DCD has approved, the Scope Drawings and Plans and Specifications 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 DCD. Such approvals shall include, without limitation, all building permits necessary for the Project.

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 other sources set forth in Section 4.01) to complete the Project. The Developer has delivered to the City a copy of the Escrow Agreement. Any liens against the Property in existence at the Closing Date and recorded prior to this Agreement 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 pro forma copy of the Title Policy for the Property, certified by the Title Company, showing HRLLC 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 F hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Developer has provided to DCD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements, including any reciprocal easement agreements, and encumbrances of record with respect to the Property not addressed, to DCD'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 (a) the Developer's names, (b) Richard J. Sciortino, and (c) David B. Brint (collectively, the "Related Parties") as follows:

Secretary of State	UCC search
Secretary of State	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments (including bankruptcy)
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer, the Property, the Related Parties or any fixtures now or hereafter affixed thereto, except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company.

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 DCD.

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.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to DCD in its sole discretion of the Prior Expenditures in accordance with the provisions of **Section 4.05** hereof.

5.11 Financial Statements. The Developer has provided Financial Statements to DCD for its most recently completed fiscal year, and audited, if any, or unaudited interim financial statements for the period after the end of the most recently completed fiscal year.

5.12 Documentation. Developer will have provided documentation to DCD, satisfactory in form and substance to DCD concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project.

5.13 Environmental. The Developer has provided DOE with copies of all environmental reports completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such report(s), authorizing the City to rely on such reports. If required under **Section 11.03**, the Developer has taken all necessary and proper steps to enroll the Property in the SRP. The City agrees to reasonably cooperate with the Developer in Developer's efforts to satisfy this condition, at no cost to the City.

5.14 Organizational Documents; Economic Disclosure Statement. The Developer has provided, as applicable, a copy of its Articles of Incorporation or Organization, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization 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; by-laws of the Developer; and such other organizational 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 DCD, 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. The City has approved the Developer's selection of _____, an [Illinois _____], as the General Contractor. The Developer shall submit copies of the Construction Contract to DCD in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to DCD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with **Section 6.01** above, for DCD'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 DCD 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 the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an A rating or better using a bond (American Institute of Architect's Form No. A311 or its equivalent) or a letter of credit. 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 8.07** (Employment Profile), **Section 8.08** (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 DCD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF REHABILITATION

7.01 Certificate of Completion.

(a) Upon (i) satisfaction of the conditions set forth in **Section 7.01(c)** hereof, and (ii) upon Developer's written request, DCD 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.

(b) DCD shall respond to the Developer's written request for a Certificate within forty-five (45) 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.

(c) Developer acknowledges that the City will not issue a Certificate until the following conditions have been met:

(i) the Developer has given the City written notification that the Project, including all of the TIF-Funded Improvements, has been completed;

(ii) the Developer has provided DCD with evidence acceptable to DCD showing that Developer has completed the Project in compliance with the plans and specifications and all building permit requirements, including without limitation, receipt of certificate(s) of occupancy for one hundred percent (100%) of the Project;

(iii) in accordance with **Section 8.20**, the COC Occupancy Covenant is met and the Occupancy Report has been approved;

(iv) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of **Section 8.08** (Prevailing Wage) and **Section 10** (Developer's Employment Obligations); and

(v) a certificate of completion has been issued with respect to the project financed with the Hairpin Lofts Obligation.

(d) Developer acknowledges that the City will not issue a Certificate if there exists an Event of Default under **Section 15.01** which has not been cured pursuant to **Section 15.03** or **Section 15.04**.

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, 8.18, 8.19, 8.20, 8.21 and 11.04 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. 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;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing such 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; and

(c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the City Housing Loan or the TIF Bonds, if any.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DCD 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) HRLLC is an Illinois limited liability company and Brinshore is an Illinois corporation, each duly organized, validly existing, qualified to do business in Illinois, and each 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) each of HRLLC and Brinshore has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

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, 8.18, 8.19, 8.20, 8.21 and 11.04 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. 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;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing such 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; and

(c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the City Housing Loan or the TIF Bonds, if any.

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(b) each of HRLLC and Brinshore has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate (as applicable) its Articles of Organization, by-laws or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which 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, HRLLC 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 and/or liens bonded by the Developer or insured by the Title Company, 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 the Certificate pursuant to Section 7.01, the Developer shall not do any of the following without the prior written consent of DCD, which consent shall be in DCD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except the lease of the Facility to tenants in accordance with Section 8.19 herein) 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); (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;

(k) the Developer has not incurred, and, prior to the issuance of the Certificate pursuant to Section 7.01, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted

Liens and/or liens bonded by the Developer or insured by the Title Company; 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;

(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;

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("**Owners**"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("**Contractors**"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("**Sub-owners**") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "**Identified Parties**"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "**Mayor**") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 1. The partners have been residing together for at least 12 months.
 2. The partners have common or joint ownership of a residence.
 3. The partners have at least two of the following arrangements:
 - a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials,

supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

8.02 Covenant to Redevelop. Upon DCD'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 Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or the Developer, including, without limitation, all Environmental Laws. 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 the 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 Brinshore shall be used by Brinshore solely to pay for (or to reimburse Brinshore for its payment for) 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 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 "TIF Bonds"); provided, however, that the proceeds of bonds issued on a tax-exempt basis cannot be used as a source of City Funds or to repay the City Funds, and provided, further, 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 TIF 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 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, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in **Sections 8.08** and **10** hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.08, 10.02** and **10.03** of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.08 Prevailing Wage. Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the City Housing Loan or Lender Financing, 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 8.08.**

8.09 Arms-Length Transactions. Unless the City 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 DCD's request, prior to any such disbursement.

8.10 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 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.

8.11 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.

8.12 Financial Statements. The Developer shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended December 31, 2008 and for each year thereafter within 90 days after the end of such fiscal year 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 DCD may request.

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

8.14 Non-Governmental Charges. (a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company, 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 DCD, within thirty (30) days of DCD's request, official receipts from

the appropriate entity, or other proof satisfactory to DCD, 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 8.14); or

(ii) at DCD's sole option, to furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD 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.

8.15 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 DCD 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.

8.16 Compliance with Laws.

(a) Representation. 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 Laws 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.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.17 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. 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.

8.18 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, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or 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, counties of the State other than Cook County, and municipalities other than the City), including any/all penalties, fees, and interest associated thereto, 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. 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 DCD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DCD's sole option,

(i) the Developer shall demonstrate to DCD'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

(ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD 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 DCD thereof in writing, at which time DCD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DCD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DCD deems advisable. All sums so paid by DCD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DCD 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. The Developer agrees that for the purpose of this Agreement, the minimum assessed value of the City Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference. The assessed value attributed to the Property is a portion of the Minimum Assessed Valuation shown on Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect; provided, however, nothing contained in this provision shall preclude Developer from applying for and receiving any reduction in the amount of real estate taxes payable for the Project or the Property, subject to the provisions of clause (iii) below.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount allocated by the Cook County Assessor's Office for the Property from the total of the Minimum Assessed Value as shown in Exhibit K; provided, however, the Developer is permitted to apply for a [Class L or 7b] designation from Cook County even if such designation with respect to the Property would result in an assessed value below the Minimum Assessed Value allocated for the Property.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the amount allocated by the Cook County Assessor's Office for the Property from the total Minimum Assessed Value as shown in Exhibit K; provided, however, the Developer is permitted to apply for a Class L or 7b designation from Cook County.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.18(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale (including, without limitation, any sale and leaseback), lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof, including the transfer of title from Brinshore to HRLLC, shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in

this Section 8.18(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.18(c).

8.19 Permitted and Prohibited Uses. The Facility shall be subject to the following requirements during the Term of the Agreement:

- (a) First floor retail space: uses that shall not be permitted are
1. Funeral homes.
 2. Production, manufacturing and/or industrial use (as such terms are generally used and understood in commerce) of any kind or nature.
 3. "Head Shops," pornographic "adult" bookstores, tattoo parlors, massage parlors.
 4. Car washes, gasoline or service stations, or the display, repair, lease, rent or sale of any motor vehicle, boat or trailer.
 5. Convenience stores, storage/warehouse uses, currency exchange, tavern, video stores, dollar stores, resale store or packaged goods stores.
 6. Any use which creates a nuisance or materially increases noise or emissions of dust, odor, smoke or gases.
 7. Any use which materially increases the risk of fire, explosion or radioactive hazard.
 8. Any use involving Hazardous Materials.
 9. Thrift stores or flea markets, excluding auction rooms, art or antique stores, or establishments selling books on a consignment basis.

(b) Second floor arts center space: permitted uses shall be artistic performances; senior, toddler and/or after school programs; community meetings, workshops, classes and other educational programming; yoga and other fitness classes; gallery space and banquet space or other uses consistent herewith which support the needs of the surrounding community.

(c) Roof: permitted uses shall be for continued leases with US Cellular and T-Mobile for cellular tower antenna facilities and any other uses in compliance with the City's Zoning and Land Use Ordinance, and other legal uses as approved by the City in its sole discretion.

8.20 Occupancy.

Developer shall cause to lease not less than sixty percent (60%) of the first floor retail square footage of the Facility and the second floor arts center space on or before the date of issuance of the Certificate of Completion (the "COC Occupancy Covenant"). At the time the COC Occupancy Covenant is met and for each Reporting Period, the Developer shall provide, to the satisfaction of the City, documentation relating to (a) for the first floor retail space, a list of tenants,

their businesses and the number of employees, and (b) for the second floor arts center space, a copy of the lease(s) demonstrating to the satisfaction of DCD the utilization of the space only for such purposes set forth in Section 8.19(b) hereof, along with such other information as the City shall request (the "Occupancy Report"). Developer shall cause the Facility to be used in accordance with Section 8.19 hereof and the Redevelopment Plan. The covenants contained in this Section 8.20 shall run with the land and be binding upon any transferee for the term of this Agreement.

8.21 Annual Report. Developer shall provide to DCD an Annual Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications to evidence that all ongoing requirements have been satisfied during the preceding reporting period. The Annual Report shall be submitted each year, for ten (10) years, on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "Reporting Period"). Failure by the Developer to submit the Annual Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in this Section 8.21 shall run with the land and be binding upon any transferee for the term of this Agreement.

8.22 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 pursuant to any City rider to the Construction Contract, 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 DCD 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 DCD, 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 DCD, 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. 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, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 *et seq.*, Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 *et seq.*, Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), 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 hard costs of construction as set forth in the construction contract approved by DCD (the "MBE/WBE Budget") shall be expended for contract participation by MBEs and by WBEs:

- (1) At least twenty-four percent (24%) by MBEs.
- (2) At least four percent (4%) by WBEs.

(b) For purposes of this **Section 10.03** only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) 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" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services 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**. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor with a non MBE/WBE General Contractor or subcontractor without the prior written approval of DCD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff 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 the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(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 Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this **Section 10.03** shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this **Section 10.03**. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this **Section 10.03**, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this **Section 10.03** to the City's monitoring staff, 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 the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this **Section 10.03**, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided 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

11.01 "AS IS" SALE. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

11.02 The Developer hereby represents and warrants to the City that the Developer has performed a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E1527-05 standard ("Phase I") and other environmental studies sufficient to conclude that the Project may be rehabilitated, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the ordinance authorizing the City Housing Loan, all ordinances authorizing the issuance of the TIF Bonds, if any, and the Redevelopment Plan. The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property.

11.03 Environmental Remediation. Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, DOE shall have the right to review and approve the Phase I and any other reports prepared for the Property. Upon DOE's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project, including, without limitation, updating or expanding the Phase I and performing initial or additional Phase II testing. If the environmental reports for the Property disclose the presence of contaminants exceeding TACO Tier I residential remediation objectives on or under the Property, the Developer shall enroll the Property in the IEPA's SRP Program and take all necessary steps to obtain a Draft NFR Letter. Unless DOE determines that it is not necessary to enroll the Property in the SRP, the Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and DOE approves, a Draft NFR Letter. After DOE approves the Draft NFR Letter, the Developer covenants and agrees to complete all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws ("Environmental Remediation"). If Environmental Remediation is required on the Property, the Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final

NFR Letter for the Property, which approval shall not be unreasonably withheld. The City shall have the right to approve the ROR, RAP and RACR for the Property and any changes or modifications thereto, which approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Environmental Remediation. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation.

11.04 Release and Indemnification. The Developer, on behalf of itself and anyone claiming by, through or under it, hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

11.05 Release Runs with the Land. The covenant of release in Section 11.04 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of its current or former officers, directors, employees, agents, predecessors, successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because Section 11.04 contains a full, complete and final release of all such claims.

11.06 Survival. This Section 11 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must 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.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (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 must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, 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 (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the 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 basis.

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must 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 project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(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 must be maintained with limits of not less than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence.

Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. 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. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the Property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Community Development, Development Support Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, 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 Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. 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 Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve 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 stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, cancelled, or non-renewed by the insurer; provided, however, 10 days prior written notice shall be given to the City in the event that coverage is cancelled for non-payment of insurance premiums.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractor(s).

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change 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 "**Indemnitees**") 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 Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees 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 or any of their respective agents, officers, directors, equity holders, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate;

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

- (v) any act or omission by Developer or any Affiliate.

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 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 or any related agreement;

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity (after any applicable notice and cure period) if such failure may have a material adverse effect on the Developer's business, property (including the Property or the Project), assets (including the Property or the Project), 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 and/or liens bonded by the

Developer or insured by the Title Company, 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, including but not limited to a Funding Lender Event of Default as set forth in the City Housing Agreement, 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;

(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) the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City; provided however, transfers of investor interests or the removal of the managing member, in each case in accordance with HRLLC's operating agreement shall require only notice to the City.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a natural person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of HRLLC's operating interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend payment of and/or seek reimbursement of the 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. To the extent permitted by law, the City may also lien the Property.

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, except as set forth elsewhere in this Agreement, 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, except as set forth elsewhere in this Agreement, 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, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of and default made or tendered by HRLLC's managing or investor member shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

15.04 Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such Event of Default as follows:

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

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.04(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 30 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 30 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Funds shall occur until such time as such Personal Developer Default is cured.

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 F 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) 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 of the Certificate pursuant to Section 7.01 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 DCD.

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 Community 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: Hairpin Retail, LLC and Brinshore 2800 Corp.
c/o Brinshore Development LLC
666 Dundee Road, Suite 1102
Northbrook, IL 60062
Attention: Richard Sciortino

With Copies To: Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, IL 60607
Attention: Debra A. Kleban

And to: [Senior Lender(s)]
[ADDRESS]
[CITY], [STATE] [ZIP CODE]
Attention: [NAME, TITLE]

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. 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, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer or any successor in interest to Developer in the event of any default or breach by the City or for any amount which may become due to Developer or any successor in interest, from the City 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 TIF 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 satisfactory to the City.

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, DCD or the Commissioner, or any matter is to be to the City's, DCD'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, DCD 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 DCD 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 permitted in accordance with a Permitted Lien, 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 8.18** (Real Estate Provisions) and **8.22** (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.

18.23 Date of Performance. If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding business day.

18.24 Construction of Words. The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to".

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.

Hairpin Retail, LLC,
an Illinois limited liability company

[DEVELOPER TO PROVIDE APPROPRIATE
SIGNATURE BLOCK INFORMATION]

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christine Raguso, personally known to me to be the Acting Commissioner of the Department of Community Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___th day of _____, _____.

Notary Public

My Commission Expires _____

[(Sub)Exhibits "D", "E", "I", "J" and "L" referred to in this Hairpin Retail Redevelopment Agreement unavailable at time of printing.]

[(Sub)Exhibits "A" and "F" referred to in this Hairpin Retail Development Agreement constitute (Sub)Exhibits "A" and "F" to Hairpin Lofts Apartments Redevelopment Agreement and printed on pages 85795 through 85813 and 85819 and 85820, respectively, of this *Journal*.]

[(Sub)Exhibits "H" and "K" referred to in this Hairpin Retail Development Agreement constitute (Sub)Exhibits "H" and "K" to Hairpin Lofts Apartments Redevelopment Agreement and are printed on pages 85822 through 85824, respectively, of this *Journal*.]

(Sub)Exhibits "B", "C" and "G" referred to in this Hairpin Retail Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To Hairpin Retail Development Agreement)

Property Legal Description.
(Subject To Final Title And Survey)

Commercial Parcel C1.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

beginning at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 19.49 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 18.03 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 7.63 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 11.99 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 4.00 feet; thence north 00 degrees, 25 minutes, 27 seconds east, 10.76 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 3.79 feet; thence north 44 degrees, 28 minutes, 25 seconds west, 0.33 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 13.46 feet; thence south 49 degrees, 34 minutes, 33 seconds east, 9.98 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 47.07 feet to the northeasterly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 49 degrees, 29 minutes, 35 seconds west, 25.94 feet; thence south 40 degrees, 30 minutes, 25 seconds west, 58.83 feet; thence south 00 degrees, 17 minutes, 06 degrees east, 55.21 feet to the point of beginning, in Cook County, Illinois,

And

Commercial Parcel C2A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds west, along the westerly line of

said tract, 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds east, along the westerly line of said tract, 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds west, 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 6.33 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 40.45 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds east, 6.33 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C2B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +48.77 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 25.86 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds west, 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds east, 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds west, 0.42 feet; thence, north 17 degrees, 06 minutes, 59 seconds east, 4.52 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds west, 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 6.62 feet; thence north 49 degrees, 34 minutes, 33 seconds west, 9.98 feet; thence south 40 degrees, 25 minutes, 27 seconds west, 12.54 feet; thence north 44 degrees, 28 minutes, 25 seconds west, 15.54 feet to the westerly line of said tract; the remaining courses being along the perimeter lines of said tract; thence north 40 degrees, 30 minutes, 25 seconds east, 58.26 feet; thence south 49 degrees, 29 minutes, 35 seconds east, 155.53 feet; thence north 89 degrees, 36 minutes, 08 seconds west, 130.34 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3A.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast

quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence north 00 degrees, 17 minutes, 06 seconds west, along the westerly line of said tract, 55.21 feet; thence north 40 degrees, 30 minutes, 25 seconds east, along the westerly line of said tract, 58.83 feet to the northerly most corner thereof; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 32.27 feet to the point of beginning; thence south 41 degrees, 06 minutes, 29 seconds west, 40.46 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 6.33 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 8.10 feet; thence south 00 degrees, 05 minutes, 32 seconds east, 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds east, 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds west, 1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds east, 6.43 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.02 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 38.96 feet to the northeasterly line of said tract; thence north 49 degrees, 29 minutes, 35 seconds west, 6.36 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3B.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying above a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 25.86 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 24.09 feet; thence south 89 degrees, 34 minutes, 33 seconds east, 9.20 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 9.12 feet; thence north 72 degrees, 20 minutes, 59 seconds west, 0.42 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 4.52 feet to the point of beginning; thence north 17 degrees, 06 minutes, 59 seconds east, 8.10 feet; thence north 73 degrees, 36 minutes, 04 seconds west, 1.25 feet; thence north 49 degrees, 23 minutes, 47 seconds west, 11.54 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 6.62 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 1.48 feet; thence south 00 degrees, 05 minutes, 32 seconds east, 3.58 feet; thence south 72 degrees, 19 minutes, 30 seconds east, 8.06 feet; thence south 17 degrees, 19 minutes, 36 seconds west,

1.77 feet; thence south 72 degrees, 38 minutes, 41 seconds east, 6.02 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3C.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North; Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying above a horizontal plane having an elevation of +81.82 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 38.38 feet; thence north 00 degrees, 23 minutes, 52 seconds east, 37.27 feet to the point of beginning; thence north 72 degrees, 38 minutes, 41 seconds west, 6.02 feet; thence north 17 degrees, 19 minutes, 36 seconds east, 1.77 feet; thence north 72 degrees, 19 minutes, 30 seconds west, 8.06 feet; thence north 00 degrees, 05 minutes, 32 seconds west, 3.58 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 24.57 feet; thence south 49 degrees, 23 minutes, 45 seconds east, 10.92 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 12.00 feet; thence south 17 degrees, 06 minutes, 59 seconds west, 12.42 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3D.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 39.51 feet; thence north 89 degrees, 53 minutes, 21 seconds east, 20.59 feet to the point of beginning; thence south 79 degrees, 14 minutes, 48 seconds east, 11.05 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 11.95 feet; thence north 49 degrees,

23 minutes, 47 seconds west, 17.53 feet; thence south 41 degrees, 06 minutes, 29 seconds west, 17.48 feet; thence north 49 degrees, 23 minutes 47 seconds west, 12.24 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 22.48 feet; thence south 49 degrees, 23 minutes, 47 seconds east, 29.70 feet; thence north 40 degrees, 25 minutes, 27 seconds east, 3.98 feet; thence south 49 degrees, 34 minutes, 33 seconds east, 22.00 feet; thence south 40 degrees, 25 minutes, 27 seconds west, 13.01 feet; thence north 79 degrees, 14 minutes, 48 seconds west, 33.32 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 4.07 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3E.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +108.66 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 19.23 feet to the point of beginning; thence south 89 degrees, 34 minutes, 33 seconds east, 20.58 feet; thence north 00 degrees, 05 minutes, 28 seconds west, 20.47 feet; thence south 89 degrees, 53 minutes, 21 seconds west, 20.59 feet; thence south 00 degrees, 06 minutes, 39 seconds east, 20.28 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C3F.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +126.00 feet Chicago City Datum and lying above a horizontal plane having an elevation of +96.24 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 26.04 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 19.23 feet to the point of beginning; thence south 89 degrees, 34 minutes, 33 seconds east, 22.56 feet; thence south 00 degrees, 25 minutes, 27 seconds west, 9.67 feet; thence

north 89 degrees, 34 minutes, 33 seconds west, 22.47 feet; thence north 00 degrees, 06 minutes, 39 seconds west, 9.67 feet to the point of beginning, in Cook County, Illinois.

And

Commercial Parcel C4.

That part of Lots 18, 19 and 20 in Block 3 in William E. Hatterman's Milwaukee Avenue Subdivision, being a subdivision of Lots 15 and 16 in Brand's Subdivision of the northeast quarter of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, taken as a tract, lying below a horizontal plane having an elevation of +33.85 feet Chicago City Datum and lying above a horizontal plane having an elevation of +18.84 feet Chicago City Datum and lying within its horizontal boundary projected vertically and described as follows:

commencing at the southwest corner of said Lot 18 being the southwest corner of said tract; thence south 89 degrees, 36 minutes, 08 seconds east, along the south line of said tract, 34.39 feet to the point of beginning; thence north 00 degrees, 05 minutes, 28 seconds west, 10.27 feet; thence north 89 degrees, 34 minutes, 33 seconds west, 1.08 feet; thence north 01 degrees, 20 minutes, 08 seconds west, 7.60 feet; thence north 17 degrees, 06 minutes, 59 seconds east, 29.15 feet; thence north 41 degrees, 06 minutes, 29 seconds east, 38.96 feet to the northeasterly line of said tract; thence south 49 degrees, 29 minutes, 35 seconds east, along the northeasterly line of said tract, 116.90 feet to the east most corner of said tract; thence north 89 degrees, 36 minutes, 08 seconds west, along the south line of said tract, 121.81 feet to the point of beginning, in Cook County, Illinois.

(Sub)Exhibit "C".

(To Hairpin Retail Redevelopment Agreement)

T.I.F.-Funded Improvements.

Line Item	Cost
Construction	\$[1,612,918]
TOTAL:	\$[1,612,918]*

* The maximum amount of City Funds provided to the Developer shall not exceed One Million Two Hundred Ten Thousand Dollars (\$1,210,000).

(Sub)Exhibit "G".
 (To Hairpin Retail Redevelopment Agreement)

Project Budget.

Hairpin Commercial Budget

Acquisition 1

Hard Costs:

Rehab/Construction	\$1,612,918
Contractor General Conditions	96,775
Contractor Overhead	32,258
Contractor Profit	96,775
Construction Contingency	161,292
Performance Bond	43,549

Interim Costs (Construction Period):

Construction Period Insurance	\$ 10,000
Construction Interest	132,336
Construction Period Taxes	10,000
Construction Loan Origination	15,000

Professional Services:

Architect -- Design	\$ 44,993
Architect -- Supervision	15,000
Structural/Civil Engineer	6,110

Landscape Design	\$ 780
Historic Consultant	1,650
Historic Engineer	14,200
L.E.E.D. Commissioning	11,100
Accounting	5,000
Appraisal	7,000
Environmental Report & Testing	935
Marketing and Leasing	30,000
Tenant Improvement Allowance (\$20)	213,140
Retail Signage	61,000
Payless Construction	35,000
Fees:	
Title and Recording	\$ 8,000
Building Permit Fees	6,473
Utility Connections	6,000
Survey	3,412
Legal Fees	99,616
Lender's Inspection Fees	15,000
Escrows and Reserves:	
Working Cap/Leasing Reserve	\$ 50,000
Replacement Reserve	2,000

Financing Costs:

Permanent Loan Application Fee	\$ 5,000
Permanent Loan Origination	16,000
Tax Opinion Fee	20,000

Syndication Costs:

CRF Syndication Costs	\$ 29,850
Developer's Fee	\$ 350,179
TOTAL COSTS:	\$3,268,342

APPROVAL OF REDEVELOPMENT PLAN FOR EWING AVENUE TAX INCREMENT
FINANCING DISTRICT.

[SO2010-822]

The Committee on Finance submitted the following report:

CHICAGO, March 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a substitute ordinance approving a redevelopment plan for the Ewing Avenue Tax Increment Financing Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.