

Disclosure Summary Sheet

Contract (PO) Number: 6402

Specification Number: 26810

Name of Contractor: MONTCLARE SENIOR RESIDENCES

City Department: DEPARTMENT OF HOUSING

Title of Contract: Interest Subsidy Payments For Affordable Housing

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

\$4,853 00

PO Start Date: 12-21-00

PO End Date: 12-21-25

Brief Description of Work: Interest Subsidy Payments For Affordable Housing

Procurement Services Contact Person: THOMAS DZIEDZIC

Vendor Number: 50073581

Submission Date:

JUL 16 2004

EDS

CITY OF CHICAGO

ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

(Economic Development/Housing Transactions)

Pursuant to Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code"), the following information is required to be disclosed prior to any City agency, department or City Council action. Please fully complete each statement, with all information current as of the attestation date. Every question must be answered. If a question is not applicable, answer with "N.A." *An incomplete EDS shall be returned and any City action shall be interrupted.*

Please print or type all responses clearly and legibly. If you need additional space for a response, attach extra pages. Please indicate the question to which you are responding on any extra pages you attach.

Please note that this Economic Disclosure Statement and Affidavit (the "EDS") requires you to obtain various certifications from certain other parties before they may perform any work in connection with the project. The terms of the required certifications are set forth below in Sections V, VII, VIII, IX and X.

WHO MUST FILE:

1. The Applicant: Any individual or entity (the "Applicant") making an application to the City of Chicago (the "City") for action requiring City Council or other City agency approval must file this EDS. For example, with respect to a City loan or grant, the individual or entity applying for the loan or grant is the "Applicant."
2. Entities holding an interest in the Applicant: Whenever an ownership interest in the Applicant (such as shares of stock of the Applicant or a limited partnership interest in the Applicant, for example) is held or owned by a legal entity (such as a corporation or partnership, for example) rather than an individual, each such legal entity must also file an

EDS on its own behalf. If the Applicant is a not-for-profit corporation with members who elect the board of directors, those members who are legal entities and not individuals must also file EDS's on their own behalf. (Individuals who have ownership interests in the Applicant or who are members of a not-for-profit Applicant are not required to file an EDS on their own behalf.) However, if the Applicant is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only legal entities that own 10 percent or more of the Applicant's stock must file EDS's on their own behalf. A legal entity that holds an ownership interest in the Applicant and that is required to file an EDS on its own behalf shall be referred to hereinafter as a "First-Tier Related Entity."

3. Entities holding direct or indirect interest in a First-Tier Related Entity: The same rules described in (2) above also apply to owners of First-Tier Related Entities, owners of such owners, and so on.

The individual or legal entity completing this EDS shall be referred to as the "undersigned" throughout this EDS. If the party completing this EDS is not an individual but is a legal entity (such as, for example, a corporation or partnership), the person signing this EDS on behalf of such party shall be referred to as the "signatory of the undersigned."

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

INFORMATION TO BE KEPT CURRENT: All disclosures must be current as of the date upon which the application is presented to the City Council or other City agency, and shall be maintained current until such time as the City Council or City agency shall take action on the application. This requires (i) the submission of this EDS at the time the initial application is made; and (ii) a recertification of this EDS (a) at the time the related ordinance, if any, is submitted to the City Council if such

submission is more than 60 days following the original execution of this EDS; and (b) upon the closing of the related transaction.

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

I. GENERAL INFORMATION

A. Exact legal name of undersigned: AHC Holdings, LLC

B. Business address: 600 Superior Ave., #2626, Cleveland, OH 44114

C. Telephone: (216) 875-2626

D. Fax: (216) 875-2612

E. Name of contact person: Thomas C. Rini

F. City agency receiving this EDS: Department of Housing

G. Type of action requested: Financing

H. Project location: 6650 W. Belden Avenue, Chicago, IL 60607

I. Brief project description: 153 units of affordable housing for Seniors.

J. Description and purpose of requested City assistance: _____

Financing through tax exempt bonds with tax credits.

II. DISCLOSURE OF OWNERSHIP INTERESTS

A. GENERAL INFORMATION

1. Indicate whether the undersigned is an individual or legal entity and, if a legal entity, indicate the type of entity below:

- Individual
- Business corporation
- Not-for-profit corporation
- General partnership
- Limited partnership
- Limited liability company
- Joint venture
- Sole proprietorship
- Other entity (please specify) _____

2. State of incorporation or organization, if applicable:

Ohio

3. For corporations, limited partnerships and limited liability companies not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No

B. ORGANIZATION INFORMATION

1. FOR CORPORATIONS:

- a. List below the names and titles of the executive officers and directors of the corporation.

| Name | Title |
|-------|-------|
| N/A | |
| <hr/> | |
| <hr/> | |
| <hr/> | |
| <hr/> | |

- b. For business corporations with 100 or more shareholders, list below the name, business address and percentage of ownership interest of each shareholder owning shares equal to or in excess of 7.5 percent of the total issued and outstanding shares.

| Name | Business Address | Percentage Interest |
|-------|------------------|---------------------|
| N/A | | |
| <hr/> | | |
| <hr/> | | |
| <hr/> | | |
| <hr/> | | |

c. For business corporations with fewer than 100 shareholders, list below the name, business address and percentage of ownership interest of each shareholder.

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

N/A

d. For not-for-profit corporations, list below the name, business address and percentage of control of each member. If there are no members, write "no members."

| Name | Business Address | Percentage Control |
|------|------------------|--------------------|
|------|------------------|--------------------|

N/A

2. FOR PARTNERSHIPS:

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

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

N/A

3. FOR LIMITED LIABILITY COMPANIES:

a. List below the names and titles of the executive officers, if any, of the limited liability company. If there are no officers, write "no officers."

| Name | Title |
|--------------------------|---|
| <u>Thomas C. Rini</u> | <u>President/Managing Director</u> |
| <u>Jack E. Griffiths</u> | <u>Executive Vice President/Managing Director</u> |

b. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers."

| Name | Business Address | Percentage Interest |
|-------------------------------|--|---------------------|
| <u>(i) Thomas C. Rini</u> | <u>600 Superior Ave. #2626 Cleveland, OH 44114</u> | <u>49% member</u> |
| <u>(i) Jack E. Griffiths</u> | <u>600 Superior Ave. #2626 Cleveland, OH 44114</u> | <u>49% member</u> |
| <u>(ii) Thomas C. Rini</u> | <u>600 Superior Ave. #2626 Cleveland, OH 44114</u> | <u>1% manager</u> |
| <u>(ii) Jack E. Griffiths</u> | <u>600 Superior Ave. #2626 Cleveland, OH 44114</u> | <u>1% manager</u> |

4. FOR LAND TRUSTS, BUSINESS TRUSTS OR ESTATES:

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

N/A

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

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

N/A

5. OTHER OWNERSHIP INTERESTS

- a. Is any ownership interest in the undersigned, as described in (1) (b) - (d), (2), 3(b) or (4) (b) above, held by one or more agents or one or more nominees on behalf of another individual or legal entity?

Yes No

If so, list below the name, business address and percentage of ownership interest of each principal (whether an individual or legal entity) for whom such agent(s) or nominee(s) are holding their ownership interest(s) in the

undersigned, and identify each principal's agent or nominee.

Principal's

| Name | Address | Percentage Interest | Agent/Nominee |
|------|---------|---------------------|---------------|
|------|---------|---------------------|---------------|

N/A

b. Is any ownership interest in the undersigned, as described in (1)(b)-(d), (2), 3(b) or (4)(b) above, constructively controlled (other than through an agent or nominee) by another individual or legal entity?

Yes No

If so, list below (i) the name of each individual or legal entity whose ownership interest is constructively controlled, (ii) the name, business address and percentage of ownership interest of each individual or legal entity possessing such control, and (iii) the means by which such control is or may be exercised.

N/A

III. OTHER PROJECT INFORMATION

A. List below the name and business address of each individual or legal entity currently holding legal title to the

property for which City assistance is being requested (the "Property"):

American National Bank and Trust Company of Chicago, as Trustee under Trust
No. 52930.

- B. If title to the Property is held in a land trust, list below the name, business address and percentage of interest of each beneficiary. If all of this information has already been provided in Section II above, indicate that below and do not repeat it here:

Grand Equities, Inc., an Illinois corporation - 100%

- C. Real estate tax index number(s) for the Property:

PIN #1331205061 and PIN #1331205062

- D. Have all water charges, sewer charges, property taxes and sales taxes, due and payable on or prior to the date hereof and concerning the Property, been paid as of the date of this EDS?

Yes No

If no, describe below the kind and dollar amount of such charges or taxes and indicate by what date full payment

shall be made. Failure to make full payment may halt any requested City action.

IV. ADDITIONAL INFORMATION

Has the undersigned or any member, partner, beneficiary or owner of the undersigned:

A. ever been a defendant in any civil or criminal suits or legal actions?

Yes No

B. ever had any debts discharged, satisfied or settled under the Bankruptcy Act?

Yes No

C. ever had a judgment entered against him/her/it?

Yes No

D. ever been a party to a foreclosure, a deed in lieu of foreclosure, a loan default or loan "workout" situation?

Yes No

NOTE: If the answer to any of the above questions is "yes," attach a separate schedule explaining the circumstances, parties involved and resolution or status. A specific description must be provided for each case.

V. CERTIFICATION OF ENVIRONMENTAL COMPLIANCE

A. Neither the undersigned nor any "Affiliated Entity" (as defined below) of the undersigned has, during a period of five years prior to the date hereof:

- (1) violated or engaged in any conduct which violated Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other "Environmental Restriction" (as defined below);
- (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from the City, the State of Illinois, the federal government, any state or political subdivision thereof, or any agency, court or body of the federal government or any state or political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions, relating to a violation or alleged violation of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction; or
- (3) been subject to any fine or penalty of any nature for failure to comply with Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction.

B. If the undersigned is unable to certify to any of the above statements in this Section V, the undersigned shall identify all exceptions and indicate whether any such exceptions occurred within the City or otherwise pertain to the City:

[If no explanation appears or begins on the lines above, it shall be conclusively presumed that the undersigned certifies to each of the above statements.]

- C. The undersigned covenants and agrees that the undersigned shall:
- (1) prior to completion of the project to which this EDS pertains (the "Project"), not violate any provision of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction;
 - (2) not use any facility on the United States Environmental Protection Agency's List of Violating Facilities (the "List") in connection with the Project for the duration of time that the facility remains on the List; and
 - (3) immediately notify any federal agency which is awarding funds in connection with the Project if a facility that the undersigned intends to use is on the List or if the undersigned knows that any such facility has been recommended to be placed on the List.
- D. The undersigned has obtained certifications in form and substance equal to Section V(A)-(B) of this EDS from all contractors or subcontractors that the undersigned presently intends to use in connection with the Project. As to contractors or subcontractors to be used in connection with the Project who are not yet known to the undersigned, the undersigned shall obtain certifications in form and substance equal to Section V(A)-(B) of this EDS from all such parties prior to using them in connection with the Project.
- E. The undersigned shall not, without the prior written consent of the City, use any contractor or subcontractor in connection with the Project if the undersigned, based on information contained in such party's certification or any other information known or obtained by the undersigned, has reason to believe that such contractor or subcontractor has, within the preceding five years, been in violation of any Environmental Restriction, received notice of any claim

relating to a violation of an Environmental Restriction, or been subject to any fine or penalty for a violation of an Environmental Restriction.

- F. Further, the undersigned shall not, without the prior written consent of the City, use as a contractor or subcontractor in connection with the Project any person or entity from which the undersigned is unable to obtain certifications in form and substance equal to Section V(A) - (B) of this EDS or which the undersigned has reason to believe cannot provide truthful certifications.
- G. The undersigned shall maintain for the duration of the requested City assistance all certifications of all contractors and subcontractors required by Section V(D) above, and shall make such certifications promptly available to the City upon request.
- H. Definitions:
- (1) Entities are "affiliated" if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership identity of interests among family members; shared facilities and equipment; common use of employees; or organization of another business entity using substantially the same management, ownership or principals as the first entity.
 - (2) "Environmental Restriction" means any statute, ordinance, rule, regulation, permit, permit condition, order or directive relating to or imposing liability or standards of conduct concerning the release or threatened release of hazardous materials, special wastes or other contaminants into the environment, and to the generation, use, storage, transportation or disposal of construction debris, bulk waste, refuse, garbage, solid wastes, hazardous materials, special wastes or other contaminants, including but not limited to: (a) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et

seq.); (b) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.); (c) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.); (d) the Clean Water Act (33 U.S.C. § 1251 et seq.); (e) the Clean Air Act (42 U.S.C. § 7401 et seq.); (f) the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.); (g) the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); (h) the Occupational Health and Safety Act of 1970 (29 U.S.C. § 651 et seq.); (i) the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 et seq.); and (j) the Illinois Environmental Protection Act (415 ILCS 5/1 through 5/56.6).

VI. CHILD SUPPORT OBLIGATIONS

For purposes of this Section VI, "Substantial Owner" means any individual who owns or holds a 10 percent or more "Percentage of Interest" (as defined below) in the undersigned. If the undersigned is an individual or sole proprietorship, the "Substantial Owner" means that individual or sole proprietor. "Percentage of Interest" includes direct, indirect and beneficial interests in the undersigned. "Indirect or beneficial interest" means that an interest in the undersigned is held by a corporation, joint venture, trust, partnership, association, estate or other legal entity, in which the individual holds an interest, or by agent(s) or nominee(s) on behalf of an individual or entity. For example, if Corporation B owns a 20 percent interest in the undersigned, and an individual has a 50 percent percentage of interest in Corporation B, then such individual indirectly has a 10 percent percentage of interest in the undersigned and is a Substantial Owner. If Corporation B is held by another entity, then this analysis similarly must be applied to that next entity (and so forth to any additional levels of ownership) to determine whether any individuals indirectly hold a 10 percent or more interest in the undersigned.

If the undersigned's response below is (A) or (B), then all of the undersigned's Substantial Owners must remain in compliance with any such child support obligations (i) throughout the term of the requested City assistance to which this EDS pertains, or (ii) until completion of the undersigned's obligations to the

City in connection with the Project, whichever is later. Failure of the undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either (A) or (B) below constitutes an event of default.

Check one:

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

VII. CERTIFICATION

The signatory of the undersigned, being first duly sworn, on oath hereby certifies, deposes and says, under penalty of perjury, as follows:

- A. The signatory is authorized to execute this EDS on behalf of the undersigned; the information disclosed herein is true and complete to the best of his/her knowledge; no disclosures as to economic interest in the Project have been withheld; and no information has been reserved as to the intended use or purpose for which the undersigned (or a related entity) seeks action by the City Council or pertinent City agency.
- B. Except as described in Section III(D) hereof, if applicable, the undersigned is (a) not in default or in arrears on any outstanding commercial loans, water charges, sewer charges, property taxes, sales taxes or other fines, fees, taxes, assessments or charges owed to the City, personally or by any partnership, corporation, joint venture or land trust in which the undersigned has at least a five percent beneficial interest; and (b) not delinquent in the payment of any tax administered by the Illinois Department of Revenue, or if delinquent, the undersigned is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for such tax or the amount of such tax, or the undersigned has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.
- C. Since the initial date of application, the undersigned has not done or suffered to be done anything that could in any way adversely affect the title to the Property and, except as described herein, no proceedings have been filed by or against the undersigned, nor has any judgment or decree been rendered against the undersigned, nor is there any judgment note or other instrument that can result in a judgment or decree against the undersigned within five days from the date thereof.

D. The undersigned has either paid in full or settled all outstanding parking violation complaints issued to any vehicle owned or controlled by the undersigned personally, or by any partnership, corporation, joint venture or land trust in which the undersigned has control or an ownership interest exceeding five percent in such entity.

E. The undersigned and its principals:

- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- (2) have not within a three-year period preceding the date hereof been convicted of a criminal offense or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- (3) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (b) above; and
- (4) have not within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default.

F. The undersigned, or any party to be used in the performance of the Project (an "Applicable Party"), or any Affiliated Entity of either the undersigned or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the

undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not, during the three years prior to the date hereof or, with respect to an Applicable Party or any Affiliated Entity thereof, during the three years prior to the date of such Applicable Party's contract in connection with the Project:

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

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

H. Neither the undersigned nor any employee, official, agent or partner of the undersigned is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3, as amended, supplemented and restated from time to time; (2) bid-rotating in violation of 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time;

or (3) any similar offense of any state or of the United States of America which contains the same elements as the offense of bid-rigging or bid-rotating

- i. If the undersigned is unable to certify to any of the above statements in this Section VII, the undersigned shall explain below:

[If no explanation appears or begins on the lines above, it shall be conclusively presumed that the undersigned certifies to each of the above statements.]

VIII. APPLICABLE PARTIES

- A. The undersigned has obtained certifications in form and substance equal to Section VII(E)-(I) of this EDS from all Applicable Parties that the undersigned presently intends to use in connection with the Project. As to Applicable Parties to be used in connection with the Project who are not yet known to the undersigned, the undersigned shall obtain certifications in form and substance equal to Section VII(E)-(I) of this EDS from all such Applicable Parties prior to using them in connection with the Project.

- B. The undersigned shall not, without the prior written consent of the City, use any Applicable Party in connection with the Project if the undersigned, based on information contained in such Applicable Party's certification or any other information known or obtained by the undersigned, has reason to believe that:

- (1) during the three years prior to the date of such Applicable Party's contract in connection with the Project, such Applicable Party, such Applicable Party's Affiliated Entity, or any official, agent

or employee of such Applicable Party or Affiliated Entity has engaged in, been convicted of, or made an admission of guilt of any of the conduct listed in Section VII(F) above;

- (2) such Applicable Party or any official, agent, partner or employee of such Applicable Party is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rigging, bid-rotating, or any similar offense of any state or of the United States of America which contains the same elements as bid-rigging or bid-rotating; or
- (3) any of the circumstances described in Section VII(H) above applies to such Applicable Party or its principals.

- C. Further, the undersigned shall not, without the prior written consent of the City, use in connection with the Project any person or entity from which the undersigned is unable to obtain certifications in form and substance equal to Section VII(E)-(I) of this EDS or which the undersigned has reason to believe cannot provide truthful certifications.
- D. For all Applicable Parties, the undersigned shall maintain for the duration of the requested City assistance all certifications of all Applicable Parties required by Section VIII(A) above, and the undersigned shall make such certifications promptly available to the City upon request.

IX. RESTRICTION ON LOBBYING

- A. List below the names of all persons registered under the Lobbying Disclosure Act of 1995, 2 U.S.C. § 1601 et seq. (the "Disclosure Act"), who have made lobbying contacts on behalf of the undersigned with respect to the transaction to which this EDS pertains (the "Transaction"). If there are no such persons, write "none."

None.

- B. The undersigned certifies that it has not and shall not expend any Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, as defined by applicable Federal law, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. Accordingly, the undersigned has not used any Federal appropriated funds to pay any person listed in Section IX(A) above for his/her lobbying activities in connection with the Transaction.
- C. The undersigned shall submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affect the accuracy of the statements and information set forth in paragraphs (A) and (B) above.
- D. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Transaction, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- E. Either (1) the undersigned is not an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986; or (2) the undersigned is an organization

described in Section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and shall not engage in "lobbying activities," as defined in the Disclosure Act.

- F. The undersigned shall obtain certifications equal in form and substance to paragraphs (A) through (E) above from all contractors and subcontractors prior to the award of any contract/subcontract with such parties in connection with the Transaction. The undersigned shall maintain all such certifications of such parties for the duration of the Transaction and shall make such certifications promptly available to the City upon request.

X. NONSEGREGATED FACILITIES

- A. The undersigned certifies that it does not and shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and shall not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The undersigned agrees that a breach of this certification is a violation of the Equal Opportunity clause.
- B. "Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin because of habit, local custom or otherwise.
- C. The undersigned further agrees that it shall obtain or cause to be obtained identical certifications from proposed contractors or subcontractors in connection with the Project before the award of contracts or subcontracts under which the contractor/subcontractor

will be subject to the equal opportunity clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the equal opportunity clause. See 41 C.F.R. Part 60 for further information regarding the equal opportunity clause.

- D. The undersigned shall forward or cause to be forwarded the following notice to proposed contractors and subcontractors:

NOTICE TO PROSPECTIVE CONTRACTORS/SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted before the award of a contract/subcontract under which the contractor/subcontractor will be subject to the Equal Opportunity clause. The certifications may be submitted either for each contract/subcontract or for all contracts/subcontracts during a period (e.g., quarterly, semiannually or annually).

XI. EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require that the undersigned and proposed contractors/subcontractors submit the following information with their bids or in writing at the outset of negotiations:

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 C.F.R. Part 60-2.)

Yes No

- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes No

- C. If the answer to (B) is yes, have you filed with the Joint Reporting Committee, the Director of OFCC, any federal

agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements of these organizations?

[] Yes [] No N/A

XII. RETAINED PARTIES

A. Definitions and Disclosure Requirements

1. Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the undersigned has retained or expects to retain in connection with the contract or lease. In particular, the undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the amount of the fees paid or estimated to be paid. The undersigned is not required to disclose employees who are paid solely through the undersigned's regular payroll.

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

3. If the undersigned is uncertain whether a disclosure is required under this Section XII, the undersigned must either ask the City whether disclosure is required or make the disclosure.

B. Certification

Each and every attorney, lobbyist, accountant, consultant, subcontractor or other person retained or anticipated to be retained by the undersigned with respect to or in connection with the City assistance to which this EDS pertains is listed below:

| Name | Business Address | Relationship (attorney, lobbyist, contractor, etc.) | Fees (indicate whether paid or estimated) |
|------|------------------|---|---|
|------|------------------|---|---|

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED: x

XIII. BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. Definitions and Disclosure Requirement

1. Pursuant to an ordinance approved by the City Council on December 2, 1998, the undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months prior to the date of execution of this EDS.

2. A "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a "financial interest" shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not

include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City

B. Certification

1. Has the undersigned had a "business relationship" with any City elected officials in the 12 months prior to the date of execution of this EDS?

[] Yes [X] No

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

XIV. CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The undersigned understands and agrees that:

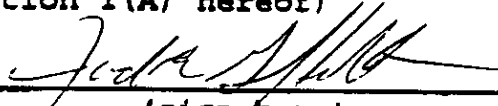
A. The certifications contained in this EDS shall become part of any contract awarded to the undersigned by the City in connection with the City assistance to which this EDS pertains, and are a material inducement to the City's execution of such contract or other action with respect to which this EDS is being executed and delivered on behalf of the undersigned. Furthermore, the undersigned shall comply with the certifications contained herein during the term and/or performance of the contract or completion of the Transaction.

B. If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the Transaction, terminate the undersigned's participation in the Transaction, and/or decline to allow the undersigned to participate in other contracts or transactions with the City.

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

AHC Holdings, LLC

(Print or type name of individual or legal entity--this should be the same name as given in Section I(A) hereof)

By: 
(sign here)

Title of signatory: EXECUTIVE VICE PRESIDENT
Print or type

name of signatory: JACK E GRIFFITHS

Date: August 18, 1992000

Subscribed to before me this 18 day of August,
1992000 at ~~Cook County, Illinois.~~ CUYAHOGA COUNTY, OHIO

Melanie M. Menacore
Notary Public

Commission expires: MELANIE M. MENACORE
Notary Public, State of Ohio, Cuy. Cty
~~My Commission Expires Dec. 12, 2001~~

(Do not write below this line except to recertify prior to submission to City Council or on the date of closing.)

RECERTIFICATION

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby represents, under penalty of perjury, that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date hereof.

(Print or type name of individual or legal entity--this should be the same name as given in Section I(A) hereof)

By: _____
(sign here)

Title of signatory: _____

Print or type name of signatory: _____

Date: _____, 199__

Subscribed to before me this ____ day of _____,
199__ at Cook County, Illinois.

Notary Public

Commission expires: _____

Response to Question IV A 1 (page 11):

Apollo Housing Capital, L.L.C. was named as a defendant in the following case for which an Agreement and Mutual Release of Claims was executed on February 18, 1998.

**McDonald & Company Securities, Inc.
Plaintiff**

Vs.

**Thomas C. Rini, Jack E. Griffiths and Apollo Housing Capital, L.L.C.
Defendant**

Thomas C. Rini and Jack E. Griffiths, along with three other Apollo Housing Capital employees, were formerly employed in the tax credit investment group of the plaintiff, McDonald & Company. On July 10, 1997, Messrs. Griffiths and Rini announced their resignation from McDonald & Company and, in partnership with LR Development Company, a real estate development company based out of Chicago, Illinois, formed Apollo Housing Capital, L.L.C. Subsequent to their resignations, three (3) other employees from McDonald & Company's tax credit investment group joined Apollo Housing Capital as part of the new venture.

Although none of these former employees of McDonald & Company were subject to any contractual restriction limiting their privilege to compete against their former employer, McDonald & Company sought the aid of the Court of Common Pleas, Cuyahoga County, to suppress lawful and privileged competition. As previously mentioned, an Agreement and Mutual Release of Claims between the two parties was executed on February 18, 1998.

EDS

**DISCLOSURE AFFIDAVIT FOR BOND
OR ISSUANCE OF OTHER CITY OBLIGATIONS**

Any person or entity (the "Affiant") participating with the City of Chicago (the "City") in a transaction requiring action by any City agency or department or the City Council, or any other person or entity who is required by Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code") to disclose ownership interests, must complete this Disclosure Affidavit. For example, with respect to the issuance of debt securities by the City, any underwriter, financial adviser, co-bond counsel, co-counsel to the underwriters, special counsel, bond trustee, bond registrar, paying agent, remarketing agent, escrow agent or letter of credit provider is the Affiant. If the Affiant is a joint venture, the joint venture and each of the joint venture partners must submit a completed Disclosure Affidavit.

Please print or type all responses clearly and legibly. If you need additional space for a response, attach extra pages. Please indicate the question to which you are responding on any extra pages you attach.

For purposes of this Disclosure Affidavit, the term "transaction" refers to the issuance of the bonds or other obligations in connection with which you are submitting this Disclosure Affidavit. The transaction is considered to be completed for purposes of this Disclosure Affidavit, when the bonds or other obligations are issued.

Please note that this Disclosure Affidavit requires the Affiant to obtain a certification from any subcontractors before the subcontractors may perform any work in connection with the transaction. The terms of the required subcontractor certification are set forth below in Part II.

After reviewing the completed Disclosure Affidavit, the Corporation Counsel may require additional information to achieve full disclosure relevant to the transaction.

Name of Transaction Montclare Senior Residence Apartments

Affiant Business Name Charity & Associates, P.C.

Affiant Business Address 20 North Clark, Suite 700, Chicago, Illinois 60602

City department to which the Affiant is submitting this form (check one)

- Office of the Chief Financial Officer
- Housing
- Aviation
- Planning and Development
- Other _____

The undersigned, Elvin E. Charity, as Principal,
and on behalf (Name of Authorized Officer) (Title)

of Charity & Associates, P.C. (the "Affiant"), having been duly sworn under oath certifies as follows
(Business Name)

PART I DISCLOSURE OF OWNERSHIP INTERESTS

Indicate below whether the Affiant is an individual or a legal entity and, if a legal entity, indicate the type of entity. Then complete Part (A), (B) or (C) below, as applicable. All Affiants must complete Part (D)

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Limited liability company |
| <input type="checkbox"/> Business corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Not-for-profit corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input checked="" type="checkbox"/> Other <u>Professional Corporation</u> |

A CORPORATIONS

1 Incorporated in the State of Illinois

2 List below the name and title of all executive officers of the corporation

| Name | Title |
|-------------------------|------------------|
| <u>Elvin E. Charity</u> | <u>Principal</u> |
| _____ | _____ |
| _____ | _____ |

3 List below the name and title of all directors of the corporation

| Name | Title |
|------------|-------|
| <u>N/A</u> | _____ |
| _____ | _____ |
| _____ | _____ |

4 If the corporation's shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 list below the names and business addresses of all shareholders owning shares equal to or in excess of 10% of the proportionate ownership interest and the percentage of interest of each therein

| Name | Business Address | Ownership Interest |
|------------|------------------|--------------------|
| <u>N/A</u> | _____ | _____ % |
| _____ | _____ | _____ % |
| _____ | _____ | _____ % |

5 If the corporation's shares are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 list below the names and business addresses of all shareholders and the percentage of interest of each therein.

| Name | Business Address | Ownership Interest |
|------------|------------------|--------------------|
| <u>N/A</u> | _____ | _____ % |
| _____ | _____ | _____ % |
| _____ | _____ | _____ % |

B. PARTNERSHIPS

N/A

List below the name and business address of each partner and the percentage of interest of each therein

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____% |
| _____ | _____ | _____% |
| _____ | _____ | _____% |

C LIMITED LIABILITY COMPANIES

N/A

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

| Name | Title |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2 List below the name, business address, and percentage of ownership interest of each (i) member and (ii) manager

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____% |
| _____ | _____ | _____% |
| _____ | _____ | _____% |

D ADDITIONAL INFORMATION

1 Is any ownership interest in the Affiant held by one or more agents or nominees on behalf of another individual or legal entity?

Yes No

If so list below each principal's name business address percentage of ownership interest, and the name of the principal's agent or nominee

| Name | Business Address | Ownership Interest | Agent/Nominee |
|-------|------------------|--------------------|---------------|
| _____ | _____ | _____% | _____ |
| _____ | _____ | _____% | _____ |
| _____ | _____ | _____% | _____ |

2 Is the Affiant, or any ownership interest in the Affiant, constructively controlled by another individual or legal entity, other than an agent or nominee disclosed above?

Yes No

If so, list below the name and business address of each individual or entity possessing constructive control of the party whose interest is controlled and the relationship between the two under which the control is or may be exercised

| Name | Business Address | Name of Party Whose Interest is Controlled | Relationship |
|-------|------------------|--|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

3 Is any stock or beneficial interest in the Affiant held by a corporation or other legal entity?

[] Yes [x] No

If so, each such corporation or other legal entity must make all disclosures requested in Parts I and VII of this Disclosure Affidavit and must certify all information provided

NOTE: Pursuant to Section 2-154-020 of the Municipal Code, the information provided in Part I above must be kept current. In the event of material changes, the Affiant must supplement this Disclosure Affidavit, up to the time the transaction for which this Disclosure Affidavit is being submitted is completed.

PART II. CERTIFICATION REGARDING PROHIBITED CONDUCT

A AFFIANT

1 The Affiant or any subcontractor to be used by the Affiant in the performance of the transaction, or any affiliated entity, as defined in paragraph (4) below, of the Affiant or any such subcontractor, or any responsible official thereof, or, if acting pursuant to the direction or authorization of a responsible official thereof, any official, agent or employee of the Affiant, any such subcontractor or any such affiliated entity, has not, during a period of three years prior to the date of execution of this Disclosure Affidavit or, if a subcontractor or subcontractor's affiliated entity, during a period of three years prior to the date of award of the subcontract

a Bribed or attempted to bribe or been convicted of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, any agency of the federal government or any state or local government in the United States, in that officer's or employee's official capacity, or

b Agreed or colluded with other bidders or prospective bidders or been a party to any such agreement, or been convicted of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise or

c Made an admission of guilt of any conduct described in 1(a) and (b) above which is a matter of record but has not been prosecuted for such conduct

2 The Affiant and its principals

a Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency.

b Have not within a three-year period preceding this Disclosure Affidavit been convicted of a criminal offense or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, a violation of federal or state antitrust statutes, fraud, embezzlement; theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property,

50 percent interest in Corporation B, then such individual indirectly has a 10 percent interest in the Affiant and the individual is a Substantial Owner of the Affiant. If Corporation B is held by another entity, then this analysis must be applied to that entity.

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

Check one

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

PART VI CERTIFICATION REGARDING RETAINED PARTIES

A DEFINITIONS AND DISCLOSURE REQUIREMENTS

1 Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the Affiant has retained or expects to retain with respect to the transaction. In particular, the Affiant must disclose the name of each such person, his or her business address, the nature of the relationship, and the amount of fees paid or estimated to be paid. The Affiant is not required to disclose employees who are paid solely through the Affiant's regular payroll.

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

3 If the Affiant is uncertain whether a disclosure is required under this Part of the Disclosure Affidavit or Executive Order 97-1, the Affiant must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

EACH AND EVERY attorney, lobbyist, accountant, consultant, subcontractor or other person retained or anticipated to be retained by the Affiant with respect to or in connection with the transaction is listed below (attach additional pages if necessary)

| <u>NAME</u> | <u>BUSINESS ADDRESS</u> | <u>RELATIONSHIP (attorney, lobbyist, subcontractor, etc.)</u> | <u>FEES (indicate whether paid or estimated)</u> |
|-------------|-------------------------|---|--|
| N/A | | | |
| | | | |
| | | | |
| | | | |

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED. _____

PART VII BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A Definitions and Disclosure Requirement

1 Pursuant to an ordinance approved by the City Council on December 2, 1998, the Affiant must indicate whether it had a "business relationship" with any City elected official in the 12 months prior to the date of execution of this Disclosure Affidavit

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

B Certification

1 Has the Affiant had, to the best of the knowledge of the undersigned party signing this Disclosure Affidavit on behalf of the Affiant, a "business relationship" with any City elected officials in the 12 months prior to the date of execution of this Disclosure Affidavit?

- No
- Yes

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

PART VIII. INCORPORATION INTO CONTRACT, COMPLIANCE, PENALTIES AND DISCLOSURE

The Affiant understands and agrees that

A The above certifications [Parts I-VII] shall become part of any contract awarded to the Affiant and are a material inducement to the City's execution of the contract or other action with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Affiant. Furthermore, the Affiant shall comply with these certifications through completion of the transaction

B If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the contract or other transaction, terminate the Affiant's participation in the contract or other transaction, and/or decline to allow the Affiant to participate in other contracts or transactions with the City

C The following civil and criminal penalties, among others, may apply

Making a false statement as to Part III(A) of this certification is a Class A misdemeanor, voids the contract and allows the City to recover all amounts paid to the Affiant under the contract in a civil action 65 ILCS 5/11-42 1-1

D This Disclosure Affidavit, some or all of the information provided herein, and all attachments may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this Disclosure Affidavit, the Affiant waives and releases any possible rights or claims it may have against the City in connection with the public release of any information contained in the completed Disclosure Affidavit and any attachments

PART IX VERIFICATION

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Affiant, that I have personal knowledge of all the certifications made herein, and that the same are complete and true

Elvin E. Charity
Signature of Authorized Officer

Principal
Title

Elvin E. Charity
Name of Authorized Officer (Print or Type)

(312) 849-9000
Business Telephone Number

Subscribed and sworn to before me this
21st day of August, 192000.

Evelyn D. Turner
Notary Public



- An introduction to serve as the guide to the official statement

- A description of the securities being offered including complete information regarding the purposes of the offering, the plan of financing the security and the method of repayment and the priority of the securities as well as structural characteristics, such as call provisions, tender options, original issue or deep discount, variable rates, and lease purchase agreements

- Information regarding the nature and extent of any credit enhancement and financial and business information about the issuer of the enhancement

- A description of the government issuer or enterprise including information about the issuer's range or level of service, capacity and demographic factors and, in the case of revenue supported offerings, information on the enterprise's organization, management, revenue structure, results of operations and operating plan

- With respect to obligations of private profit making and nonprofit conduit issuers information regarding the business or other activity including the enterprise's form of organization and management, rate-making or pricing policies and historical operations and plan of operation

- A description of the issuer's outstanding debt including the authority to incur debt, limitations on debt and the prospective debt burden and rate of its retirement

- A description of the basic documentation, such as indentures, trust agreements and resolutions authorizing the issuance and establishing the rights of the parties.

- Financial information including summary information regarding the issuer's or obligor's financial practices and results of operations and financial statements prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards

- A discussion of legal matters such as pending judicial, administrative or regulatory proceedings that may significantly affect the securities offered, legal opinions and tax considerations and

- A discussion of miscellaneous matters including ratings and their description and meanings, underwriting arrangements, interests of named experts, pending legislation and the availability of additional information and documentation

The guidelines prepared by the GFOA and the NFMA provide a generally comprehensive roadmap for disclosure in offering statements for municipal securities offerings. There are, however, areas that need further improvement in both the context of negotiated and competitively bid underwritings. In addition, implementation of these guidelines needs to be extended to the whole market. For example, while large repeat general obligation issuers usually have comprehensive disclosure documents, small issuers and conduit issuers, particularly in the health care,

housing and industrial development areas, do not always provide the same quality of disclosure.³⁴

C. Areas Where Improvement is Needed

1. Conflicts of Interest and Other Relationships or Practices

Information concerning financial and business relationships and arrangements among the parties involved in the issuance of municipal securities may be critical to an evaluation of an offering.³⁵ Recent revelations about practices used in the municipal securities offering process have highlighted the potential materiality of information concerning financial and business relationships, arrangements or practices, including political contributions, that could influence municipal securities offerings. For example, such information could indicate the existence of actual or potential conflicts of interest, breaches of duty, or less than arm's-length transactions. Similarly, these matters may reflect upon the qualifications, level of diligence and disinterestedness of financial advisers, underwriters, experts and other participants in an offering. Failure to disclose material information concerning such relationships, arrangements or practices may render misleading statements made in connection with the process, including statements in the official statement about the use of proceeds, underwriters' compensation and other expenses of the offering. In addition, investors reasonably expect participants in municipal securities offerings to follow standards and procedures established by such participants, or other governing authorities, to safeguard the integrity of the offering process, accordingly material deviations from those procedures warrant disclosure.

Existing rules and voluntary guidelines call for certain specific disclosures by offering participants (GFOA guidelines call for offering statement disclosure to investors of contingency fees to named experts, including counsel, and any other interest or connection those parties have

³⁴ See NASACT Blue Ribbon Committee Report at 1-2. Staff Report at 26. Industry participants generally agreed in testimony before the House of Representatives Subcommittee on Telecommunications and Finance on October 7, 1993 that both the greatest disclosure problems and the greatest risk of default were with unstated hospital, housing, special district and industrial development revenue bonds.

³⁵ See *SEC v. Washington County Utility District*, 676 F.2d 218, 222 (6th Cir. 1982) (Flagrant violations of antifraud provisions arising from failure to disclose use of proceeds to purchase options on property held by issuer's manager and financial arrangements between the manager and the underwriter).

with other transaction participants. MSRB rules call for dealer disclosure to issuers and investors of any financial advisory relationship between an issuer and a broker, dealer, or municipal securities dealer, under certain circumstances.³⁷ MSRB rules also call for dealer disclosure to investors of, among other things, certain fees and expenses in negotiated transactions.³⁸

Beyond existing specific disclosure requirements and guidelines, the range of financial and business relationships, arrangements and practices that need to be disclosed depends on the particular facts and circumstances of each case. If, for example, the issuer (or any person acting on its behalf) selects an underwriter, syndicate or selling group member, expert, counsel or other party who has a direct or indirect (for example, through a consultant) financial or business relationship or arrangement with persons connected with the offering process, that relationship or arrangement may be material.³⁹ Areas of particular concern are undisclosed payments to obtain underwriting assignments and undisclosed agreements or arrangements, including fee splitting, between financial advisers and underwriters.⁴⁰ If the adviser is hired to assist the issuer, such relationships, financial or otherwise, may divide loyalties. Similarly, affiliations between sellers of property to be used in a financed project and conduit borrowers raise questions regarding, among other things, the determination of fair market value of the property and self-dealing.

2. Terms and Risks of Securities

Evolution in the financial markets has led to increasingly complex and sophisticated derivative and other municipal products. While these new

³⁶ Section XIII.D. of the GFOA Guidelines.

³⁷ MSRB rule G-23.

³⁸ MSRB rule G-32. See Section 15B(c)(1) of the Exchange Act (15 U.S.C. 78b-4(c)(1)) (requiring compliance with MSRB rules); MSRB rule G-17.

³⁹ Gasparino, "The Trouble with Consultants", *The Bond Buyer* (Nov. 16, 1993) at 1. In his testimony before the Subcommittee on Telecommunications and Finance, Andrew Kintzinger, on behalf of the National Association of Bond Lawyers ("NABL"), stated, "(M)embers of the municipal finance bar should work with issuers to develop procurement procedures for state and local governments to ensure that all material financial arrangements between underwriters within the syndicate and between underwriters and financial advisors and possible conflicts of interest between issuers and members of the underwriting syndicate, or other participants be accurately documented and disclosed or, if appropriate, prohibited." NABL Testimony at 28. See Joint Statement at 2.

⁴⁰ Gasparino, "Several Issuers Start to Scrutinize Ties Between Advisors, Bankers," *The Bond Buyer* (Dec. 27, 1993) at 1. See Section XII.C. of the GFOA Guidelines, rule G-23 of the MSRB.

**DISCLOSURE AFFIDAVIT FOR BONDS
OR ISSUANCE OF OTHER CITY OBLIGATIONS**

Any person or entity (the "Affiant") participating with the City of Chicago (the "City") in a transaction requiring action by any City agency or department or the City Council, or any other person or entity who is required by Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code") to disclose ownership interests, must complete this Disclosure Affidavit. For example, with respect to the issuance of debt securities by the City, any underwriter, financial adviser, bond counsel, co-counsel to the underwriters, special counsel, bond trustee, bond registrar, paying agent, remarketing agent, escrow agent or letter of credit provider is the Affiant. If the Affiant is a joint venture, the joint venture and each of the joint venture partners must submit a completed Disclosure Affidavit.

Please print or type all responses clearly and legibly. If you need additional space for a response, attach extra pages. Please indicate the question to which you are responding on any extra pages you attach.

For purposes of this Disclosure Affidavit, the term "transaction" refers to the issuance of the bonds or other obligations in connection with which you are submitting this Disclosure Affidavit. The transaction is considered to be completed, for purposes of this Disclosure Affidavit, when the bonds or other obligations are issued.

Please note that this Disclosure Affidavit requires the Affiant to obtain a certification from any subcontractors before the subcontractors may perform any work in connection with the transaction. The terms of the required subcontractor certification are set forth below in Part II.

After reviewing the completed Disclosure Affidavit, the Corporation Counsel may require additional information to achieve full disclosure relevant to the transaction.

Name of Transaction: City of Chicago, Multifamily Housing Revenue Bonds (Montclare Senior)
Series 2000
A and B

Affiant Business Name: Developers Mortgage Corporation

Affiant Business Address: 221 North LaSalle Street

Suite 3333

Chicago, IL 60601

City department to which the Affiant is submitting this form (check one):

Office of the Chief Financial Officer

Housing

Aviation

Planning and Development

Other: _____

The undersigned, Alan R. Cravitz, as President,
and on behalf (Name of Authorized Officer) (Title)

of Developers Mortgage Corporation (the "Affiant"), having been duly sworn under oath certifies as follows:
(Business Name)

PART I. DISCLOSURE OF OWNERSHIP INTERESTS

Indicate below whether the Affiant is an individual or a legal entity and, if a legal entity, indicate the type of entity. The complete Part (A), (B) or (C) below, as applicable. All Affiants must complete Part (D)

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Limited liability company |
| <input checked="" type="checkbox"/> Business corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Not-for-profit corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Other _____ |

A. CORPORATIONS

1. Incorporated in the State of Illinois

2. List below the name and title of all executive officers of the corporation:

| Name | Title |
|------------------------|---|
| <u>Alan R. Cravitz</u> | <u>President</u> |
| <u>Douglas M. Sher</u> | <u>Vice-President/Treasurer/Secretary</u> |
| _____ | _____ |

3. List below the name and title of all directors of the corporation:

| Name | Title |
|------------------------|---------------------------|
| <u>Alan R. Cravitz</u> | <u>President/Director</u> |
| <u>Bruce Schiff</u> | <u>Director</u> |
| _____ | _____ |

4. If the corporation's shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the names and business addresses of all shareholders owning shares equal to or in excess of 10% of the proportionate ownership interest, and the percentage of interest of each therein.

| Name | Business Address | Ownership Interest |
|------------|------------------|--------------------|
| <u>N/A</u> | _____ | _____ % |
| _____ | _____ | _____ % |
| _____ | _____ | _____ % |

5. If the corporation's shares are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the names and business addresses of all shareholders and the percentage of interest of each therein.

| Name | Business Address | Ownership Interest |
|------------------------|--|--------------------|
| <u>Alan R. Cravitz</u> | <u>221 N. LaSalle St., Chicago, IL</u> | <u>82.5</u> % |
| <u>Sheldon Baskin</u> | <u>222 N. LaSalle St., Chicago, IL</u> | <u>15.5</u> % |
| <u>Young Lee</u> | <u>222 N. LaSalle St., Chicago, IL</u> | <u>2.0</u> % |

B. PARTNERSHIPS

List below the name and business address of each partner and the percentage of interest of each therein

| Name | Business Address | Ownership Interest |
|------|------------------|--------------------|
| N/A | | |
| | | |
| | | |

C. LIMITED LIABILITY COMPANIES

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

| Name | Title |
|------|-------|
| N/A | |
| | |
| | |

2. List below the name, business address, and percentage of ownership interest of each (i) member and (ii) manager:

| Name | Business Address | Ownership Interest |
|------|------------------|--------------------|
| N/A | | |
| | | |
| | | |

D. ADDITIONAL INFORMATION

1. Is any ownership interest in the Affiant held by one or more agents or nominees on behalf of another individual or legal entity?

Yes No

If so, list below each principal's name, business address, percentage of ownership interest, and the name of the principal's agent or nominee.

| Name | Business Address | Ownership Interest | Agent/Nominee |
|------|------------------|--------------------|---------------|
| N/A | | | |
| | | | |
| | | | |

2. Is the Affiant, or any ownership interest in the Affiant, constructively controlled by another individual or legal entity, other than an agent or nominee disclosed above?

Yes No

If so, list below the name and business address of each individual or entity possessing constructive control the party whose interest is controlled, the relationship between the two under which the control is or may be exercised

| Name | Business Address | Name of Party Whose Interest is Controlled | Relationship |
|-------|------------------|--|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

3. Is any stock or beneficial interest in the Affiant held by a corporation or other legal entity?

[] Yes [X] No

If so, each such corporation or other legal entity must make all disclosures requested in Parts I and VII of this Disclosure Affidavit and must certify all information provided.

NOTE: Pursuant to Section 2-154-020 of the Municipal Code, the information provided in Part I above must be kept current. In the event of material changes, the Affiant must supplement this Disclosure Affidavit, up to the time the transaction for which this Disclosure Affidavit is being submitted is completed.

PART II. CERTIFICATION REGARDING PROHIBITED CONDUCT

A. AFFIANT

1. The Affiant or any subcontractor to be used by the Affiant in the performance of the transaction, or any affiliated entity, as defined in paragraph (4) below, of the Affiant or any such subcontractor, or any responsible official thereof, or, if acting pursuant to the direction or authorization of a responsible official thereof, any official, agent or employee of the Affiant, any such subcontractor or any such affiliated entity, has not, during a period of three years prior to the date of execution of this Disclosure Affidavit or, if a subcontractor or subcontractor's affiliated entity, during a period of three years prior to the date of award of the subcontract:

- a. Bribed or attempted to bribe, or been convicted of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, any agency of the federal government or any state or local government in the United States, in that officer's or employee's official capacity; or
- b. Agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. Made an admission of guilt of any conduct described in 1(a) and (b) above which is a matter of record but has not been prosecuted for such conduct.

2. The Affiant and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency;
- b. Have not within a three-year period preceding this Disclosure Affidavit been convicted of a criminal offense or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (2)(b) above, and

d. Have not within a three-year period preceding the date of this Disclosure Affidavit had one or more public transactions (federal, state or local) terminated for cause or default.

3 No payment, gratuity or offer of employment has been made in connection with the transaction, by or on behalf of a subcontractor to the Affiant, a higher-tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order, nor shall any such payment, gratuity or offer of employment be accepted by the Affiant

4 Business entities are affiliated if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership identity of interests among family members; shared facilities and equipment; common use of employees; or organization of another business entity using substantially the same management, ownership or principals as the first entity.

5. If the Affiant is unable to certify to the statements in paragraphs (1) through (3) above, the Affiant shall explain below. Attach additional pages if necessary. _____

_____ [If no explanation appears or begins on the lines above, it shall be conclusively presumed that the Affiant certifies to each of the above statements.]

B. SUBCONTRACTORS

1 The Affiant has obtained certifications in form and substance equal to Part II(A)(1)-(3) of this Disclosure Affidavit from all subcontractors that the Affiant presently intends to use in the transaction. As to subcontractors to be used in the transaction who are not yet known by the Affiant, the Affiant will obtain certifications in form and substance equal to Part II(A)(1)-(3) of this Disclosure Affidavit prior to using them as subcontractors.

2. The Affiant shall not, without the prior written consent of the City, use any subcontractors in the transaction if the Affiant, based on information contained in the subcontractor certification or any other information known or obtained by the Affiant, has reason to believe that, within three years prior to the award of any subcontract, the subcontractor or such subcontractor's affiliated entity, or any official, agent, or employee of such subcontractor or subcontractor's affiliated entity, has engaged in, been convicted of, or made an admission of guilt of any of the conduct listed in Part II(A)(1), or that a payment, gratuity or offer of employment was made by or on behalf of the subcontractor in connection with the transaction as an inducement for the award of a subcontract or order, or that any of the circumstances set forth in Part II (A)(2) applies to the subcontractor or its principals. Furthermore, the Affiant shall not, without the prior written consent of the City, use as a subcontractor any individual, firm, partnership, corporation, joint venture or other entity from which the Affiant is unable to obtain a certification in form and substance equal to Part II(A)(1)-(3) of this Disclosure Affidavit or which the Affiant has reason to believe cannot provide a truthful certification.

3. The Affiant shall maintain all subcontractors' certifications required by paragraph (1) above for the duration of the transaction and shall make such certifications promptly available to the City upon request.

PART III. CERTIFICATION REGARDING TAXES, FEES, LITIGATION AND FINANCIAL RELATIONSHIPS

A. STATE TAX DELINQUENCIES

1. The Affiant is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or if delinquent, the Affiant is contesting its liability for the tax or the amount of the tax in accordance with the procedures established by the appropriate Revenue Act

2. Alternatively, the Affiant has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

B. OTHER TAXES/FEES

The Affiant is not delinquent in paying any fine, fee, tax or other charge owed to the City

C. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

The Affiant is not a party to any pending lawsuits against the City nor has the Affiant been sued by the City or its agents in any judicial or administrative proceeding within the 10 year period preceding execution of this Disclosure Affidavit.

D. EXCEPTIONS

If the Affiant is unable to certify to any of the above statements [Part III (A)- (C)], the Affiant shall explain below. In the case of any judicial or administrative proceedings, provide (1) the case name; (2) the docket number; (3) the court in which the action is or was pending; and (4) a brief description of each proceeding. Attach additional pages if necessary.

_____ [If no explanation appears or begins on the lines above, it shall be conclusively presumed that the Affiant certifies to each of the above statements.]

E. FINANCIAL OR BUSINESS RELATIONSHIPS OR ARRANGEMENTS

The Affiant has reviewed the excerpt from paragraph III.C.1. of the Securities and Exchange Commission Release No 33-7049, 34-33741, FR-42, File No. S7-4-94 dated March 9, 1994, attached hereto as Schedule I, and with respect thereto, discloses the following financial or business relationship or arrangement. If the Affiant has nothing to disclose, write "NA." N/A

PART IV. CERTIFICATION REGARDING ETHICS AND INSPECTOR GENERAL

The Affiant understands and will abide by all provisions of Chapter 2-56 of the Municipal Code, entitled "Office of Inspector General," and all provisions of Chapter 2-156 of the Municipal Code, entitled "Governmental Ethics."

PART V. CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this Part V, "Substantial Owner" means any person who owns or holds a 10 percent or more interest in the Affiant. If the Affiant is an individual or sole proprietorship, the Substantial Owner is the individual or sole proprietor. Percentage of interest includes direct, indirect and beneficial interests in the Affiant. An indirect or beneficial interest is an interest in the Affiant held either by a corporation, joint venture, trust, partnership, estate or other legal entity in which the individual holds an interest, or by agent(s) or nominee(s) on behalf of an individual or entity. For example, if Corporation B holds or owns a 20 percent interest in the Affiant, and an individual has a

50 percent interest in Corporation B, then such individual indirectly has a 10 percent interest in the Affiant and the individual is a Substantial Owner of the Affiant. If Corporation B is held by another entity, then this analysis must be applied to that entity.

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

Check one:

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

PART VI. CERTIFICATION REGARDING RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the Affiant has retained or expects to retain with respect to the transaction. In particular, the Affiant must disclose the name of each such person, his or her business address, the nature of the relationship, and the amount of fees paid or estimated to be paid. The Affiant is not required to disclose employees who are paid solely through the Affiant's regular payroll.
2. "Lobbyist" means any person (i) who for compensation or on behalf of any person other than himself undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.
3. If the Affiant is uncertain whether a disclosure is required under this Part of the Disclosure Affidavit or Executive Order 97-1, the Affiant must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

EACH AND EVERY attorney, lobbyist, accountant, consultant, subcontractor or other person retained or anticipated to be retained by the Affiant with respect to or in connection with the transaction is listed below (attach additional pages if necessary)

| <u>NAME</u> | <u>BUSINESS ADDRESS</u> | <u>RELATIONSHIP (attorney, lobbyist, subcontractor, etc.)</u> | <u>FEEES (indicate whether paid or estimated)</u> |
|-------------|-------------------------|---|---|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED: X

PART VII. BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. Definitions and Disclosure Requirement

1. Pursuant to an ordinance approved by the City Council on December 2, 1998, the Affiant must indicate whether it had a "business relationship" with any City elected official in the 12 months prior to the date of execution of this Disclosure Affidavit.

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

B. Certification

1. Has the Affiant had, to the best of the knowledge of the undersigned party signing this Disclosure Affidavit on behalf of the Affiant, a "business relationship" with any City elected officials in the 12 months prior to the date of execution of this Disclosure Affidavit?

- No
- Yes

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

PART VIII. INCORPORATION INTO CONTRACT, COMPLIANCE, PENALTIES AND DISCLOSURE

The Affiant understands and agrees that:

A. The above certifications [Parts I-VII] shall become part of any contract awarded to the Affiant, and are a material inducement to the City's execution of the contract or other action with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Affiant. Furthermore, the Affiant shall comply with these certifications through completion of the transaction.

B. If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the contract or other transaction, terminate the Affiant's participation in the contract or other transaction, and/or decline to allow the Affiant to participate in other contracts or transactions with the City.

C. The following civil and criminal penalties, among others, may apply:

Making a false statement as to Part III(A) of this certification is a Class A misdemeanor, voids the contract and allows the City to recover all amounts paid to the Affiant under the contract in a civil action. 65 ILCS 5/11-42.

D. This Disclosure Affidavit, some or all of the information provided herein, and all attachments may be made available to the public on the Internet in response to a Freedom of Information Act request, or otherwise. By completing and signing this Disclosure Affidavit, the Affiant waives and releases any possible rights or claims it may have against the City in connection with the public release of any information contained in the completed Disclosure Affidavit and any attachments.

PART IX. VERIFICATION

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Affiant and I have personal knowledge of all the certifications made herein, and that the same are complete and true.

[Signature]
Signature of Authorized Officer

President, Developers Mortgage Corporation
Title

Alan R. Cravitz
Name of Authorized Officer (Print or Type)

312/332-2013
Business Telephone Number

Subscribed and sworn to before me this

15th day of August XX 2000

Rosa E. Bailey
Notary Public

By: Aff 11/04



SCHEDULE I

Federal Register / Vol. 59, No. 52 / Thursday, March 17, 1994 / Rules and Regulations

- An introduction to serve as the guide to the official statement.
 - A description of the securities being offered, including complete information regarding the purposes of the offering, the plan of financing, the security and the improvement and the priority of the securities as well as structural characteristics such as call provisions, tender options, original issue or deep discount, variable rates and lease purchase agreements.
 - Information regarding the nature and extent of any credit enhancement and financial and business information about the issuer of the enhancement.
 - A description of the government, issuer or enterprise, including information about the issuer's range or level of service, capacity and demographic factors and, in the case of revenue supported offerings, information on the enterprise's organization, management, revenue structure, results of operations and operating plan.
 - With respect to obligations of private profit making and nonprofit conduit issuers, information regarding the business or other activity, including the enterprise's form of organization and management, rate making or pricing policies, and historical operations and plan of operation.
 - A description of the issuer's outstanding debt, including the authority to incur debt, limitations on debt and the prospective debt burden and rate of its retirement.
 - A description of the basic documentation, such as indentures, trust agreements and resolutions authorizing the issuance and establishing the rights of the parties.
 - Financial information, including summary information regarding the issuer's or obligor's financial practices and results of operations and financial statements prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards.
 - A discussion of legal matters, such as pending judicial, administrative or regulatory proceedings that may significantly affect the securities offered, legal opinions and tax considerations, and
 - A discussion of miscellaneous matters, including ratings and their description and meanings, underwriting arrangements, arrangements with financial advisors, interests of named experts, pending litigation, and the availability of additional information and documentation.
- The guidelines prepared by the GFOA and the NFMA provide a generally comprehensive roadmap for disclosure in offering statements for municipal securities offerings. There are, however, areas that need further improvement in both the context of negotiated and competitively bid underwritings. In addition, implementation of these guidelines needs to be extended to the whole market. For example, while large repeat general obligation issuers usually have comprehensive disclosure documents, small issuers and conduit issuers, particularly in the health care

housing and industrial development areas, do not always provide the same quality of disclosure.³⁸

38 Areas Where Improvement is Needed

1. Conflicts of Interest and Other Relationships or Practices

Information concerning financial and business relationships and arrangements among the parties involved in the issuance of municipal securities may be critical to an evaluation of an offering.³⁹ Recent revelations about practices used in the municipal securities offering process have highlighted the potential materiality of information concerning financial and business relationships, arrangements or practices, including political contributions, that could influence municipal securities offerings. For example, such information could indicate the existence of actual or potential conflicts of interest, breaches of duty, or less than arm's-length transactions. Similarly, these matters may reflect upon the qualifications, level of diligence, and disinterestedness of financial advisers, underwriters, experts and other participants in an offering. Failure to disclose material information concerning such relationships, arrangements or practices may render misleading statements made in connection with the process, including statements in the official statement about the use of proceeds, underwriters' compensation and other expenses of the offering. In addition, investors reasonably expect participants in municipal securities offerings to follow standards and procedures established by such participants, or other governing authorities, to safeguard the integrity of the offering process accordingly. Material deviations from those procedures warrant disclosure.

Existing rules and voluntary guidelines call for certain specific disclosures by offering participants. GFOA guidelines call for offering statement disclosure to investors of contingency fees to named experts, including counsel, and any other interest or connection those parties have

³⁸ See NASAC Blue Ribbon Committee Report at 1-2. Staff Report at 28. Industry participants generally agreed. A testimony before the House of Representatives Subcommittee on Telecommunications and Finance on October 7, 1993, that both the greatest disclosure problems and the greatest risk of default were with unpaid deep discount housing, special district and industrial development revenue bonds.

³⁹ See SEC v. Washington County Utility District, 678 F.2d 218, 222 (6th Cir. 1982) ("Flagrant violation of antitrust provisions arising from failure to disclose use of proceeds to purchase options on property held by issuer's manager and financial arrangements between the manager and the underwriter).

with other transaction participants. MSRB rules call for dealer disclosure to issuers and investors of any financial advisory relationship between an issuer and a broker, dealer or municipal securities dealer, under certain circumstances.⁴⁰ MSRB rules also call for dealer disclosure to investors of, among other things, certain fees and expenses in negotiated transactions.⁴¹

Beyond existing specific disclosure requirements and guidelines, the range of financial and business relationships, arrangements and practices that need to be disclosed depends on the particular facts and circumstances of each case. If, for example, the issuer (or any person acting on its behalf) selects an underwriter, syndicate or selling group member, expert, counsel or other party who has a direct or indirect (for example, through a consultant) financial or business relationship or arrangement with persons connected with the offering process, that relationship or arrangement may be material.⁴² Areas of particular concern are undisclosed payments to obtain underwriting assignments and undisclosed agreements or arrangements, including fee splitting, between financial advisers and underwriters.⁴³ If the adviser is hired to assist the issuer, such relationships, financial or otherwise, may divide loyalties. Similarly, affiliations between sellers of property to be used in a financed project and conduit borrowers raise questions regarding, among other things, the determination of fair market value of the property and self-dealing.

2. Terms and Risks of Securities

Evolution in the financial markets has led to increasingly complex and sophisticated derivative and other municipal products. While these new

³⁸ Section XII.D. of the GFOA Guidelines.

³⁹ MSRB rule G-23.

⁴⁰ MSRB rule G-32. See Section 15B(c)(1) of the Exchange Act (15 U.S.C. 78b-1(c)(1)) requiring compliance with MSRB rules. MSRB rule G-17.

⁴¹ Caporaso, "The Trouble with Consultants," *The Bond Buyer* (Nov. 24, 1993) at 1. In his testimony before the Subcommittee on Telecommunications and Finance, Andrew Kintzinger, on behalf of the National Association of Bond Lawyers ("NABL"), stated, "Members of the municipal finance bar should work with issuers to develop procedures and procedures for state and local governments to ensure that all material financial arrangements between underwriters and financial advisers and between underwriters and financial advisers and possible conflicts of interest between issuers and members of the underwriting syndicate or other participants be accurately communicated and disclosed or, if appropriate, prohibited." NABL Testimony at 28. See Joint Statement at 2.

⁴² Caporaso, "Several Issues Start to Scrutinize Ties Between Advisors, Bankers," *The Bond Buyer* (Dec. 27, 1993) at 1. See Section XII.C. of the GFOA Guidelines, rule G-23 of the MSRB.

EDS

**DISCLOSURE AFFIDAVIT FOR BONDS
OR ISSUANCE OF OTHER CITY OBLIGATIONS**

Any person or entity (the "Affiant") participating with the City of Chicago (the "City") in a transaction requiring action by any City agency or department or the City Council or any other person or entity who is required by Chapter 2-15-0 of the Municipal Code of Chicago (the "Municipal Code") to disclose ownership interests, must complete this Disclosure Affidavit. For example, with respect to the issuance of debt securities by the City, any underwriter, financial adviser, co-bond counsel, co-counsel to the underwriters, special counsel, bond trustee, bond registrar, paying agent, remarketing agent, escrow agent or letter of credit provider is the Affiant. If the Affiant is a joint venture, the joint venture and each of the joint venture partners must submit a completed Disclosure Affidavit.

Please print or type all responses clearly and legibly. If you need additional space for a response, attach extra pages. Please indicate the question to which you are responding on any extra pages you attach.

For purposes of this Disclosure Affidavit, the term "transaction" refers to the issuance of the bonds or other obligations in connection with which you are submitting this Disclosure Affidavit. The transaction is considered to be completed, for purposes of this Disclosure Affidavit, when the bonds or other obligations are issued.

Please note that this Disclosure Affidavit requires the Affiant to obtain a certification from any subcontractors before the subcontractors may perform any work in connection with the transaction. The terms of the required subcontractor certification are set forth below in Part II.

After reviewing the completed Disclosure Affidavit, the Corporation Counsel may require additional information to achieve full disclosure relevant to the transaction.

Name of Transaction City of Chicago Multi-Family Housing Revenue Bonds/Note
(The Montclare Senior Residences Project)

Affiant Business Name Ice Miller

Affiant Business Address 135 South LaSalle Street, Suite 4100

Chicago, Illinois 60603

City department to which the Affiant is submitting this form (check one)

- Office of the Chief Financial Officer
 Housing
 Aviation
 Planning and Development
 Other Law

The undersigned, Thomas C. Smith as Partner
and on behalf (Name of Authorized Officer) (Title)

of Ice Miller (the "Affiant") having been duly sworn under oath certifies as follows:
(Business Name)

PART I. DISCLOSURE OF OWNERSHIP INTERESTS

Indicate below whether the Affiant is an individual or a legal entity and, if a legal entity, indicate the type of entity. Then complete Part (A), (B) or (C) below as applicable. All Affiants must complete Part (D)

- Individual
- Business corporation
- Not-for-profit corporation
- Sole proprietorship
- Limited liability company
- Partnership
- Joint venture
- Other _____

A. CORPORATIONS

1 Incorporated in the State of _____

2 List below the name and title of all executive officers of the corporation:

| Name | Title |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

3 List below the name and title of all directors of the corporation

| Name | Title |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

4 If the corporation's shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 list below the names and business addresses of all shareholders owning shares equal to or in excess of 10% of the proportionate ownership interest and the percentage of interest of each therein

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____% |
| _____ | _____ | _____% |
| _____ | _____ | _____% |

5 If the corporation's shares are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 list below the names and business addresses of all shareholders and the percentage of interest of each therein:

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____% |
| _____ | _____ | _____% |
| _____ | _____ | _____% |

B PARTNERSHIPS

List below the name and business address of each partner and the percentage of interest of each therein:

| Name | Business Address | Ownership Interest: |
|---------------|------------------|---------------------|
| See Exhibit A | | |
| | | |
| | | |

* No single partner owns more than 10% of the partnership.

C LIMITED LIABILITY COMPANIES

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

| Name | Title |
|------|-------|
| | |
| | |
| | |

2 List below the name business address and percentage of ownership interest of each (i) member and (ii) manager

| Name | Business Address | Ownership Interest |
|------|------------------|--------------------|
| | | |
| | | |
| | | |

D ADDITIONAL INFORMATION

1 Is any ownership interest in the Affiant held by one or more agents or nominees on behalf of another individual or legal entity?

Yes No

If so list below each principal's name business address percentage of ownership interest and the name of the principal's agent or nominee

| Name | Business Address | Ownership Interest | Agent/Nominee |
|------|------------------|--------------------|---------------|
| | | % | |
| | | % | |
| | | % | |

2 Is the Affiant or any ownership interest in the Affiant constructively controlled by another individual or legal entity, other than an agent or nominee disclosed above?

Yes No

If so list below the name and business address of each individual or entity possessing constructive control of the party whose interest is controlled and the relationship between the two under which the control is or may be exercised

| Name | Business Address | Name of Party Whose Interest is Controlled | Relationship |
|-------|------------------|--|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

3 Is any stock or beneficial interest in the Affiant held by a corporation or other legal entity?

Yes No

If so, each such corporation or other legal entity must make all disclosures requested in Parts I and VII of this Disclosure Affidavit and must certify all information provided

NOTE: Pursuant to Section 2-154-020 of the Municipal Code, the information provided in Part I above must be kept current. In the event of material changes, the Affiant must supplement this Disclosure Affidavit, up to the time the transaction for which this Disclosure Affidavit is being submitted is completed.

PART II CERTIFICATION REGARDING PROHIBITED CONDUCT

A AFFIANT

1 The Affiant or any subcontractor to be used by the Affiant in the performance of the transaction or any affiliated entity as defined in paragraph (4) below of the Affiant or any such subcontractor, or any responsible official thereof or if acting pursuant to the direction or authorization of a responsible official thereof, any official, agent or employee of the Affiant, any such subcontractor or any such affiliated entity, has not, during a period of three years prior to the date of execution of this Disclosure Affidavit or, if a subcontractor or subcontractor's affiliated entity during a period of three years prior to the date of award of the subcontract

- a. Bribed or attempted to bribe or been convicted of bribery, or attempting to bribe, a public officer or employee of the City, the State of Illinois, any agency of the federal government or any state or local government in the United States in that officer's or employee's official capacity, or
- b. Agreed or colluded with other bidders or prospective bidders or been a party to any such agreement or been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or
- c. Made an admission of guilt of any conduct described in 1(a) and (b) above which is a matter of record but has not been prosecuted for such conduct.

2 The Affiant and its principals

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency.
- b. Have not within a three-year period preceding this Disclosure Affidavit been convicted of a criminal offense or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, a violation of federal or state antitrust statutes, fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

50 percent interest in Corporation B, then such individual indirectly has a 10 percent interest in the Affiant and such individual is a Substantial Owner of the Affiant. If Corporation B is held by another entity, then this analysis must be applied to that entity.

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

Check one

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

PART VI CERTIFICATION REGARDING RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

- 1 Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and other persons whom the Affiant has retained or expects to retain with respect to the transaction. In particular, the Affiant must disclose the name of each such person, his or her business address, the nature of the relationship, and the amount of fees paid or estimated to be paid. The Affiant is not required to disclose employees who are paid solely through the Affiant's regular payroll.
- 2 "Lobbyist" means any person (i) who for compensation or on behalf of any person other than himself undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.
- 3 If the Affiant is uncertain whether a disclosure is required under this Part of the Disclosure Affidavit or Executive Order 97-1, the Affiant must either ask the City whether disclosure is required or make the disclosure.

B CERTIFICATION

EACH AND EVERY attorney, lobbyist, accountant, consultant, subcontractor or other person retained or anticipated to be retained by the Affiant with respect to or in connection with the transaction is listed below (attach additional pages if necessary)

| <u>NAME</u> | <u>BUSINESS ADDRESS</u> | <u>RELATIONSHIP (attorney, lobbyist, subcontractor, etc.)</u> | <u>FEEs (indicate whether paid or estimated)</u> |
|-------------|-------------------------|---|--|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED: X

PART VII BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A Definitions and Disclosure Requirement

1 Pursuant to an ordinance approved by the City Council on December 2, 1998, the Affiant must indicate whether it had a "business relationship" with any City elected official in the 12 months prior to the date of execution of this Disclosure Affidavit

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

B Certification

1 Has the Affiant had to the best of the knowledge of the undersigned party signing this Disclosure Affidavit on behalf of the Affiant a "business relationship" with any City elected officials in the 12 months prior to the date of execution of this Disclosure Affidavit?

No
 Yes

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

PART VIII. INCORPORATION INTO CONTRACT, COMPLIANCE, PENALTIES AND DISCLOSURE

The Affiant understands and agrees that:

A The above certifications [Parts I-VII] shall become part of any contract awarded to the Affiant and are a material inducement to the City's execution of the contract or other action with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Affiant. Furthermore, the Affiant shall comply with these certifications through completion of the transaction.

B If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the contract or other transaction, terminate the Affiant's participation in the contract or other transaction, and/or decline to allow the Affiant to participate in other contracts or transactions with the City.

C The following civil and criminal penalties, among others, may apply:

Making a false statement as to Part III(A) of this certification is a Class A misdemeanor, voids the contract and allows the City to recover all amounts paid to the Affiant under the contract in a civil action. 65 ILCS 5/11-12 1-1

D This Disclosure Affidavit, some or all of the information provided herein, and all attachments may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this Disclosure Affidavit, the Affiant waives and releases any possible rights or claims it may have against the City in connection with the public release of any information contained in the completed Disclosure Affidavit and any attachments.

PART IX VERIFICATION

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Affiant and that I have personal knowledge of all the certifications made herein, and that the same are complete and true.

Thomas C. Smith
Signature of Authorized Officer

Partner
Title

Thomas C. Smith
Name of Authorized Officer (Print or Type)

(312) 726-8105
Business Telephone Number

Subscribed and sworn to before me this

17th day of August, 2000

James L. Bebley
Notary Public

Bond Aff



SCHEDULE I

Federal Register / Vol. 59 No 52 / Thursday, March 17, 1994 / Rules and Regulations

- An introduction to serve as the guide to the official statement;
- A description of the securities being offered, including complete information regarding the purposes of the offering; ³⁰ plan of financing the security and ³¹ repayment, and the priority of the securities as well as structural characteristics, such as call provisions, tender options, original issue or deep discount, variable rates, and lease purchase agreements;
- Information regarding the nature and extent of any credit enhancement and financial and business information about the issuer of the enhancement;
- A description of the government issuer or enterprise, including information about the issuer's range or level of service, capacity and demographic factors and, in the case of revenue supported offerings, information on the enterprise's organization, management, revenue structure, results of operations and operating plan;
- With respect to obligations of private profit making and nonprofit conduit issuers, information regarding the business or other activity, including the enterprise's form of organization and management, rate making or pricing policies, and historical operations and plan of operation;
- A description of the issuer's outstanding debt, including the authority to incur debt, limitations on debt, and the prospective debt burden and rate of its retirement;
- A description of the basic documentation, such as indentures, trust agreements and resolutions authorizing the issuance and establishing the rights of the parties;
- Financial information including summary information regarding the issuer's or obligor's financial practices and results of operations and financial statements, prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards;
- A discussion of legal matters, such as pending judicial, administrative or regulatory proceedings that may significantly affect the securities offered, legal opinions and tax considerations; and
- A discussion of miscellaneous matters, including ratings and their description and meanings, underwriting arrangements, interests of named experts, pending legislation, and the availability of additional information and documentation.

The guidelines prepared by the GFOA and the NFMA provide a generally comprehensive roadmap for disclosure in offering statements for municipal securities offerings. There are, however, areas that need further improvement in both the context of negotiated and competitively bid underwritings. In addition, implementation of these guidelines needs to be extended to the whole market. For example, while large repeat general obligation issuers usually have comprehensive disclosure documents, small issuers and conduit issuers, particularly in the health care

housing and industrial development areas, do not always provide the same quality of disclosure.³²

C. Areas Where Improvement Is Needed

1. Conflicts of Interest and Other Relationships or Practices

Information concerning financial and business relationships and arrangements among the parties involved in the issuance of municipal securities may be critical to an evaluation of an offering.³³ Recent revelations about practices used in the municipal securities offering process have highlighted the potential materiality of information concerning financial and business relationships, arrangements or practices, including political contributions, that could influence municipal securities offerings. For example, such information could indicate the existence of actual or potential conflicts of interest, breaches of duty or less than arm's-length transactions. Similarly, these matters may reflect upon the qualifications, level of diligence and disinterestedness of financial advisers, underwriters, experts and other participants in an offering. Failure to disclose material information concerning such relationships, arrangements or practices may render misleading statements made in connection with the process, including statements in the official statement about the use of proceeds, underwriters' compensation and other expenses of the offering. In addition, investors reasonably expect participants in municipal securities offerings to follow standards and procedures established by such participants, or other governing authorities, to safeguard the integrity of the offering process; accordingly, material deviations from those procedures warrant disclosure.

Existing rules and voluntary guidelines call for certain specific disclosures by offering participants. GFOA guidelines call for offering statement disclosure to investors of contingency fees to named experts, including counsel, and any other interest or connection those parties have

³⁰ See NASACT Blue Ribbon Committee Report at 1-2 Staff Report at 28. Industry participants generally agreed in testimony before the House of Representatives Subcommittee on Telecommunications and Finance on October 7, 1993, that both the greatest disclosure problems and the greatest risk of default were with unretail, non-call, housing, special district and industrial development revenue bonds.

³¹ See SEC v. Washington County Utility District, 678 F.2d 216, 222 (6th Cir. 1982) ("Flagrant violations of antitrust provisions arising from failure to disclose use of proceeds to purchase options on property held by issuer's manager and financial arrangements between the manager and the underwriter).

with other transaction participants. MSRB rules call for dealer disclosure to issuers and investors of any financial advisory relationship between an issuer and a broker, dealer, or municipal securities dealer, under certain circumstances.³⁴ MSRB rules also call for dealer disclosure to investors of, among other things, certain fees and expenses in negotiated transactions.³⁵

Beyond existing specific disclosure requirements and guidelines, the range of financial and business relationships, arrangements and practices that need to be disclosed depends on the particular facts and circumstances of each case. If, for example, the issuer (or any person acting on its behalf) selects an underwriter, syndicate or selling group member, expert, counsel or other party who has a direct or indirect (for example, through a consultant) financial or business relationship or arrangement with persons connected with the offering process, that relationship or arrangement may be material.³⁶ Areas of particular concern are undisclosed payments to obtain underwriting assignments and undisclosed agreements or arrangements, including fee splitting, between financial advisers and underwriters.³⁷ If the adviser is hired to assist the issuer, such relationships, financial or otherwise, may divide loyalties. Similarly, affiliations between sellers of property to be used in a financed project and conduit borrowers raise questions regarding, among other things, the determination of fair market value of the property and self-dealing.

2. Terms and Risks of Securities

Evolution in the financial markets has led to increasingly complex and sophisticated derivative and other municipal products. While these new

³² Section XLII of the GFOA Guidelines.

³³ MSRB rule G-22.

³⁴ MSRB rule G-32. See Section 15B(c)(1) of the Exchange Act (15 U.S.C. 78b-1(c)(1)) (requiring compliance with MSRB rules); MSRB rule G-17.

³⁵ Casper, "The Trouble with Consultants",

The Bond Buyer (Nov. 16, 1993) at 1. In his testimony before the Subcommittee on

Telecommunications and Finance, Andrew Kutzinger, on behalf of the National Association of Bond Lawyers ("NABL"), stated: "[M]embers of the municipal finance bar should work with issuers to develop procedures and procedures for use and local governments to ensure that all material financial arrangements between underwriters within the syndicate and between underwriters and financial advisers and possible conflicts of interest between issuers and members of the underwriting syndicate or other participants be accurately documented and disclosed or, if appropriate, prohibited." NABL Testimony at 28. See Joint Statement at 2.

³⁶ Casper, "Several Issues Start in Scrutinized Tie Between Advisers, Bonders," *The Bond Buyer* (Dec. 27, 1993) at 1. See Section XLII of the GFOA Guidelines; rule G-23 of the MSRB.

EXHIBIT A

Phillip L Bayt
Mark Barnes
Michael A Blickman
Michael H Boldt
S R Born
Mary Beth Braitman
Cory S Brundage
Ralph A Cohen
Ronald S Cope*
James S Cuning
Terri A Czajka
Gary J Dankert
Joseph E DeGroff
Thomas K Downs
Berkley W Duck III
Henry A Efrogmson
Lucy A Emison
Sherry Fabrina-Abney
James R Fisher
Bonnie L Gallivan
Philip L Genetos
Alan H Goldstein
Harry L Gonso
Doreen J Gridley
Stephen J Hackman
Jane N Herndon
Richard R Hilliard
Brenda S Horn
Steven K Humke
Lacy M Johnson
Arthur P Kalleres
G Daniel Kelley Jr
James D Kemper
Martin J Klaper
Kevin R Knight
Mary N Larimore
Michael J Lewinski
Jeffrey O Lewis
Karen A Lloyd
David J Mallon
Michael D Marine
David M Mattingly
Curtis W McCauley
Debra H Miller
Thomas E Mixdorf
Terry A M Mumford
Byron L Myers

Timothy E Ochs
Judith S Okenfuss
E Van Olson
Richard E Parker
Gregory L Pemberton
Antje C Petersen
James L Petersen
Thomas W Peterson
Bruce A Polizzotto
Dominic F Polizzotto
Todd W Ponder
John F Prescott Jr
Melissa P Reese
Mark J Richards
William R Riggs
Susan B Rivas
Thomas H Ristine
Phillip R Scaletta
Marc W. Sciscoe
Rebecca J Seamands
Myra C Selby
James A Shanahan*
Paul H Sinclair
Richard A Smikle
Elizabeth A Smith
Thomas C Smith*
Donald M Snemis
Jack R Snyder
Barton T Sprunger
Dale E Stackhouse
Lisa A Stone
Susan B Tabler
Jay G Taylor
John R Thornburgh
Richard J Thrapp
Michael L Tooley
Zeff A Weiss
L Alan Whaley
Philip A Whistler
Joseph E Whitsett
Michael A Wilkins
Charles E Wilson
Gordon D Wishard
Kevin C Woodhouse
Michael A Wukmer
Patricia A Zelmer

*Business address of 135 South LaSalle Street, Suite 4100, Chicago, Illinois 60603, all other partners have a business address of One American Square, Box 82001, Indianapolis, Indiana 46282.

EDS

**DISCLOSURE AFFIDAVIT FOR BONDS
OR ISSUANCE OF OTHER CITY OBLIGATIONS**

Any person or entity (the "Affiant") participating with the City of Chicago (the "City") in a transaction requiring action by any City agency or department or the City Council or any other person or entity who is required by Chapter 2-12-0 of the Municipal Code of Chicago (the "Municipal Code") to disclose ownership interests must complete this Disclosure Affidavit. For example, with respect to the issuance of debt securities by the City, any underwriter, financial adviser, co-bond counsel, co-counsel to the underwriters, special counsel, bond trustee, bond registrar, paying agent, remarketing agent, escrow agent or letter of credit provider is the Affiant. If the Affiant is a joint venture, the joint venture and each of the joint venture partners must submit a completed Disclosure Affidavit.

Please print or type all responses clearly and legibly. If you need additional space for a response, attach extra pages. Please indicate the question to which you are responding on any extra pages you attach.

For purposes of this Disclosure Affidavit, the term "transaction" refers to the issuance of the bonds or other obligations in connection with which you are submitting this Disclosure Affidavit. The transaction is considered to be completed for purposes of this Disclosure Affidavit, when the bonds or other obligations are issued.

Please note that this Disclosure Affidavit requires the Affiant to obtain a certification from any subcontractors before the subcontractors may perform any work in connection with the transaction. The terms of the required subcontractor certification are set forth below in Part II.

After reviewing the completed Disclosure Affidavit, the Corporation Counsel may require additional information to achieve full disclosure relevant to the transaction.

Name of Transaction Montclare Senior Residence Apartments

Affiant Business Name TRI Capital Corporation

Affiant Business Address 100 Pine Street, 16th Floor

San Francisco, CA 94111

City department to which the Affiant is submitting this form (check one)

- Office of the Chief Financial Officer
- Housing
- Aviation
- Planning and Development
- Other _____

The undersigned, W. Thomas Booher, as Executive Vice President
and on behalf (Name of Authorized Officer) (Title)

of TRI Capital Corporation (the "Affiant") having been duly sworn under oath certifies as follows
(Business Name)

PART I. DISCLOSURE OF OWNERSHIP INTERESTS

Indicate below whether the Affiant is an individual or a legal entity and if a legal entity, indicate the type of entity. Then complete Part (A), (B) or (C) below as applicable. All Affiants must complete Part (D)

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Limited liability company |
| <input checked="" type="checkbox"/> Business corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Not-for-profit corporation | <input type="checkbox"/> Joint venture |
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Other _____ |

A. CORPORATIONS

1 Incorporated in the State of California

2 List below the name and title of all executive officers of the corporation:

| Name | Title |
|----------------------|-------|
| <u>See Exhibit A</u> | _____ |
| _____ | _____ |
| _____ | _____ |

3 List below the name and title of all directors of the corporation

| Name | Title |
|----------------------|-------|
| <u>See Exhibit B</u> | _____ |
| _____ | _____ |
| _____ | _____ |

4 If the corporation's shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 list below the names and business addresses of all shareholders owning shares equal to or in excess of 10% of the proportionate ownership interest and the percentage of interest of each therein

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____ % |
| _____ | _____ | _____ % |
| _____ | _____ | _____ % |

5 If the corporation's shares are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 list below the names and business addresses of all shareholders and the percentage of interest of each therein:

| Name | Business Address | Ownership Interest |
|----------------------|------------------|--------------------|
| <u>See Exhibit C</u> | _____ | _____ % |
| _____ | _____ | _____ % |
| _____ | _____ | _____ % |

B. PARTNERSHIPS

List below the name and business address of each partner and the percentage of interest of each therein:

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

C. LIMITED LIABILITY COMPANIES

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

| Name | Title |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2 List below the name, business address, and percentage of ownership interest of each (i) member and (ii) manager

| Name | Business Address | Ownership Interest |
|-------|------------------|--------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

D. ADDITIONAL INFORMATION

1 Is any ownership interest in the Affiant held by one or more agents or nominees on behalf of another individual or legal entity?

Yes No

If so, list below each principal's name, business address, percentage of ownership interest, and the name of the principal's agent or nominee

| Name | Business Address | Ownership Interest | Agent/Nominee |
|-------|------------------|--------------------|---------------|
| _____ | _____ | _____ % | _____ |
| _____ | _____ | _____ % | _____ |
| _____ | _____ | _____ % | _____ |

2 Is the Affiant or any ownership interest in the Affiant constructively controlled by another individual or legal entity other than an agent or nominee disclosed above?

Yes No

If so, list below the name and business address of each individual or entity possessing constructive control, in part, whose interest is controlled and the relationship between the two under which the control is or may be exercised.

| Name | Business Address | Name of Party Whose Interest is Controlled | Relationship |
|-------|------------------|--|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

3. Is any stock or beneficial interest in the Affiant held by a corporation or other legal entity?
 Yes No

If so, each such corporation or other legal entity must make all disclosures requested in Parts I and VII of this Disclosure Affidavit and must certify all information provided.

NOTE: Pursuant to Section 2-154-020 of the Municipal Code, the information provided in Part I above must be kept current. In the event of material changes, the Affiant must supplement this Disclosure Affidavit, up to the time the transaction for which this Disclosure Affidavit is being submitted is completed.

PART II CERTIFICATION REGARDING PROHIBITED CONDUCT

A. AFFIANT

1. The Affiant or any subcontractor to be used by the Affiant in the performance of the transaction, or any affiliated entity, as defined in paragraph (4) below, of the Affiant or any such subcontractor, or any responsible official thereof, or if acting pursuant to the direction or authorization of a responsible official thereof, any official agent or employee of the Affiant, any such subcontractor or any such affiliated entity, has not, during a period of three years prior to the date of execution of this Disclosure Affidavit or, if a subcontractor or subcontractor's affiliated entity, during a period of three years prior to the date of award of the subcontract:

- a. Bribe or attempted to bribe, or been convicted of bribery, or attempting to bribe, a public officer or employee of the City, the State of Illinois, any agency of the federal government or any state or local government in the United States, in that officer's or employee's official capacity, or
- b. Agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or
- c. Made an admission of guilt of any conduct described in 1(a) and (b) above which is a matter of record but has not been prosecuted for such conduct.

2. The Affiant and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency;
- b. Have not within a three-year period preceding this Disclosure Affidavit been convicted of a criminal offense or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, a violation of federal or state antitrust statutes, fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

A STATE TAX DELINQUENCIES

1 The Affiant is not delinquent in the payment of any tax administered by the Illinois Department of Revenue. If delinquent, the Affiant is contesting its liability for the tax or the amount of the tax in accordance with the procedures established by the appropriate Revenue Act.

2 Alternatively, the Affiant has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

B OTHER TAXES/FEEES

The Affiant is not delinquent in paying any fine, fee, tax or other charge owed to the City.

C JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

The Affiant is not a party to any pending lawsuits against the City nor has the Affiant been sued by the City or its agents in any judicial or administrative proceeding within the 10 year period preceding execution of this Disclosure Affidavit.

D EXCEPTIONS

If the Affiant is unable to certify to any of the above statements [Part III (A)-(C)] the Affiant shall explain below. In the case of any judicial or administrative proceedings provide (1) the case name, (2) the docket number, (3) the court in which the action is or was pending, and (4) a brief description of each proceeding. Attach additional pages if necessary.

_____ [If no explanation appears or begins on the lines above, it shall be conclusively presumed that the Affiant certifies to each of the above statements.]

E FINANCIAL OR BUSINESS RELATIONSHIPS OR ARRANGEMENTS

The Affiant has reviewed the excerpt from paragraph III C 1 of the Securities and Exchange Commission Release No. 33-7049 34-33741 FR-42 File No. S-9-9 dated March 9 1994 attached hereto as Schedule I and with respect thereto discloses the following financial or business relationship or arrangement. If the Affiant has nothing to disclose write "NA" NA

PART IV CERTIFICATION REGARDING ETHICS AND INSPECTOR GENERAL

The Affiant understands and will abide by all provisions of Chapter 2-56 of the Municipal Code, entitled "Office of Inspector General" and all provisions of Chapter 2-106 of the Municipal Code, entitled "Governmental Ethics."

PART V CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this Part V, "Substantial Owner" means any person who owns or holds a 10 percent or more interest in the Affiant. If the Affiant is an individual or sole proprietorship, the Substantial Owner is the individual or sole proprietor. Percentage of interest includes direct, indirect and beneficial interests in the Affiant. An indirect or beneficial interest is an interest in the Affiant held either by a corporation, joint venture, trust, partnership, estate or other legal entity in which the individual holds an interest, or by agent(s) or nominee(s) on behalf of an individual or entity. For example, if Corporation B holds or owns a 20 percent interest in the Affiant, and an individual has a

50 percent interest in Corporation B, then such individual indirectly has a 10 percent interest in the Affiant and the individual is a Substantial Owner of the Affiant. If Corporation B is held by another entity, then this analysis must be applied to that entity.

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

Check one

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

PART VI. CERTIFICATION REGARDING RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1 Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the Affiant has retained or expects to retain with respect to the transaction. In particular, the Affiant must disclose the name of each such person, his or her business address, the nature of the relationship, and the amount of fees paid or estimated to be paid. The Affiant is not required to disclose employees who are paid solely through the Affiant's regular payroll.

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

3 If the Affiant is uncertain whether a disclosure is required under this Part of the Disclosure Affidavit or Executive Order 97-1, the Affiant must either ask the City whether disclosure is required or make the disclosure.

B CERTIFICATION

EACH AND EVERY attorney, lobbyist, accountant, consultant, subcontractor or other person retained or anticipated to be retained by the Affiant with respect to or in connection with the transaction is listed below (attach additional pages if necessary)

| <u>NAME</u> | <u>BUSINESS ADDRESS</u> | <u>RELATIONSHIP (attorney, lobbyist, subcontractor, etc.)</u> | <u>FEEs (indicate whether paid or estimated)</u> |
|-------------|-------------------------|---|--|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED

PART VII BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A Definitions and Disclosure Requirement

1 Pursuant to an ordinance approved by the City Council on December 2, 1998, the Affiant must indicate whether it had a business relationship with any City elected official in the 12 months prior to the date of execution of this Disclosure Affidavit.

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

B Certification

1 Has the Affiant had, to the best of the knowledge of the undersigned party signing this Disclosure Affidavit on behalf of the Affiant, a "business relationship" with any City elected officials in the 12 months prior to the date of execution of this Disclosure Affidavit?

[X] No
 [] Yes

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

PART VIII. INCORPORATION INTO CONTRACT, COMPLIANCE, PENALTIES AND DISCLOSURE

The Affiant understands and agrees that

A The above certifications (Parts I-VII) shall become part of any contract awarded to the Affiant and are a material inducement to the City's execution of the contract or other action with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Affiant. Furthermore, the Affiant shall comply with these certifications through completion of the transaction.

B If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the contract or other transaction, terminate the Affiant's participation in the contract or other transaction and/or decline to allow the Affiant to participate in other contracts or transactions with the City.

C The following civil and criminal penalties among others may apply

Making a false statement as to Part III(A) of this certification is a Class A misdemeanor, voids the contract and allows the City to recover all amounts paid to the Affiant under the contract in a civil action. 65 ILCS 5/11-42 11

D This Disclosure Affidavit, some or all of the information provided herein, and all attachments may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this Disclosure Affidavit, the Affiant waives and releases any possible rights or claims it may have against the City in connection with the public release of any information contained in the completed Disclosure Affidavit and any attachments.

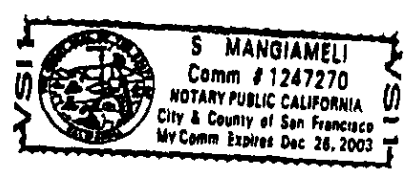
PART IX. VERIFICATION

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Affiant and I have personal knowledge of all the certifications made herein and that the same are complete and true.

Signature of Authorized Officer Executive Vice President
Title

W. Thomas Booher 415-733-1515
Name of Authorized Officer (Print or Type) Business Telephone Number

Subscribed and sworn to before me this
11th day of August 192000
[Signature]
Notary Public



Boac 411 111 99

SCHEDULE I

- An introduction to serve as the guide to the official statement
- A description of the securities being offered including complete information regarding the purposes of the offering, the plan of financing, the security and its repayment, and the priority of the securities as well as structural characteristics, such as call provisions, tender options, original issue or deep discount variable rates, and lease purchase agreements
- Information regarding the nature and extent of any credit enhancement and financial and business information about the issuer of the enhancement
- A description of the government issuer or enterprise including information about the issuer's range or level of service, capacity and demographic factors and, in the case of revenue supported offerings, information on the enterprise's organization, management, revenue structure, results of operations and operating plan
- With respect to obligations of private profit making and nonprofit conduit issuers, information regarding the business or other activity including the enterprise's form of organization and management, rate making or pricing policies, and historical operations and plan of operation
- A description of the issuer's outstanding debt, including the authority to incur debt, limitations on debt, and the prospective debt burden and rate of its retirement
- A description of the basic documentation, such as indentures, trust agreements and resolutions authorizing the issuance and establishing the rights of the parties.
- Financial information including summary information regarding the issuer's or obligor's financial practices and results of operations and financial statements, prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards
- A discussion of legal matters, such as pending judicial, administrative or regulatory proceedings that may significantly affect the securities offered, legal opinions and tax considerations, and
- A discussion of miscellaneous matters including ratings and their description and meanings, underwriting arrangements, interests of named experts, pending legislation and the availability of additional information and documentation.

The guidelines prepared by the GFOA and the NFMA provide a generally comprehensive roadmap for disclosure in offering statements for municipal securities offerings. There are, however, areas that need further improvement in both the context of negotiated and competitively bid underwritings. In addition, implementation of these guidelines needs to be extended to the whole market. For example, while large repeat general obligation issuers usually have comprehensive disclosure documents, small issuers and conduit issuers, particularly in the health care

housing and industrial development areas, do not always provide the same quality of disclosure.

C. Areas Where Improvement Is Needed

1. Conflicts of Interest and Other Relationships or Practices

Information concerning financial and business relationships and arrangements among the parties involved in the issuance of municipal securities may be critical to an evaluation of its offering.²⁵ Recent revelations about practices used in the municipal securities offering process have highlighted the potential materiality of information concerning financial and business relationships, arrangements or practices, including political contributions, that could influence municipal securities offerings. For example, such information could indicate the existence of actual or potential conflicts of interest, breaches of duty or less than arm's-length transactions. Similarly, these matters may reflect upon the qualifications, level of diligence, and disinterestedness of financial advisers, underwriters, experts and other participants in an offering. Failure to disclose material information concerning such relationships, arrangements or practices may render misleading statements made in connection with the process, including statements in the official statement about the use of proceeds, underwriters' compensation and other expenses of the offering. In addition, investors reasonably expect participants in municipal securities offerings to follow standards and procedures established by such participants, or other governing authorities, to safeguard the integrity of the offering process; accordingly, material deviations from those procedures warrant disclosure.

Existing rules and voluntary guidelines call for certain specific disclosures by offering participants. CFOA guidelines call for offering statement disclosure to investors of contingency fees to named experts, including counsel and any other interest or connection those parties have

with other transaction participants. MSRB rules call for dealer disclosure to issuers and investors of any financial advisory relationship between an issuer and a broker, dealer, or municipal securities dealer, under certain circumstances.²⁶ MSRB rules also call for dealer disclosure to investors of, among other things, certain fees and expenses in negotiated transactions.²⁷

Beyond existing specific disclosure requirements and guidelines, the range of financial and business relationships, arrangements and practices that need to be disclosed depends on the particular facts and circumstances of each case. If, for example, the issuer (or any person acting on its behalf) selects an underwriter, syndicate or selling group member, expert, counsel or other party who has a direct or indirect (for example, through a consultant) financial or business relationship or arrangement with persons connected with the offering process, that relationship or arrangement may be material.²⁸ Areas of particular concern are undisclosed payments to obtain underwriting assignments and undisclosed agreements or arrangements, including fee splitting, between financial advisers and underwriters.²⁹ If the adviser is hired to assist the issuer, such relationships, financial or otherwise may divide loyalties. Similarly, affiliations between sellers of property to be used in a financed project and conduit borrowers raise questions regarding, among other things, the determination of fair market value of the property and self-dealing.

2. Terms and Risks of Securities

Evolution in the financial markets has led to increasingly complex and sophisticated derivative and other municipal products. While these new

²⁵ See NASACT Blue Ribbon Committee Report at 1-2. Staff Report of 28 industry participants generally agreed in testimony before the House of Representatives Subcommittee on Telecommunications and Finance on October 7, 1993 that the use of general disclosure provisions and the greater risk of default were with unratified hospital bonding, special district and industrial development revenue bonds.

²⁶ See SEC v. Washington County Utility District, 676 F.2d 218, 222 (6th Cir. 1982) ("Flagrant violations of antifraud provisions arising from failure to disclose use of proceeds to purchase options on property held by issuer's manager and financial arrangements between the manager and the underwriter).

²⁶ Section 302.1 of the CPOA Guidelines.

²⁷ MSRB rule G-22.

²⁸ MSRB rule G-32. See Section 158(c)(1) of the Exchange Act (15 U.S.C. 78o-1(c)(1)) (requiring compliance with MSRB rules); MSRB rule G-17.

²⁹ Cooperman, "The Trouble with Consultants," *The Bond Buyer* (Nov. 16, 1993) at 1. In his testimony before the Subcommittee on Telecommunications and Finance, Andrew Kutzinger, on behalf of the National Association of Bond Lawyers ("NABL"), stated: "[Members of the municipal finance bar should work with issuers to develop procurement procedures for rates and bond governments to ensure that all material financial arrangements between underwriters and financial advisors and between underwriters and financial advisors and possible conflicts of interest between issuers and members of the underwriting syndicate, or other participants be accurately documented and disclosed or, if appropriate, prohibited." NABL Testimony at 28. See also Strassman at 2.

³⁰ Cooperman, "Several Issues Start to Scrutinize Tie Between Advisors, Bankers," *The Bond Buyer* (Dec. 27, 1993) at 1. See Section 302.1 of the CPOA Guidelines, rule G-23 of the MSRB.

EXHIBIT A

Names

John T Sweazey
James H Reid, Jr ,
William E. Szymczak
Mark S Ragsdale
Thomas Booher
Kathleen S Reilly
Kathy J Ratliff
Paul A Renno
Robert W Raybould
James Suekama
Michael Sapuppo
B J Rogers
Dale Ashlock
Karla Ferguson
Todd Marans

Office

Chairman of the Board & President
Executive Vice President & Chief Financial Officer
Executive Vice President & Chief Underwriter
Senior Vice President
Executive Vice President
Secretary
First Vice President & Assistant Secretary
Vice President & General Counsel
Vice President
Vice President
Vice President
Vice President
Vice President
Controller
Vice President
Senior Vice President

EXHIBIT B

Board of Directors

John T Sweazey
James H Reid, Jr.
William E. Szymczak
Robert W Raybould
William J Rosera

| |
|--|
| TRI Capital Corporation Ownership Percentages |
|--|

| <u>Shareholder Name</u> | <u>Shares Owned as of December 31, 1999</u> | <u>Current Percent</u> |
|--------------------------------------|---|----------------------------|
| 1 John T Sweazey | 80,979 | 70.36% |
| 2 James H Reid, Jr | 9,274 | 8.06% |
| 3 Robert Raybould | 11,837 | 10.28% |
| 4 William E Szymczak | 3,000 | 2.61% |
| 5 Russell B Flynn | 1,000 | 0.87% |
| 6 D R Stephens | 1,000 | 0.87% |
| 7 Chesley Davies | 1,000 | 0.87% |
| 8 Ralph J Litton | 1,000 | 0.87% |
| 9 James Lum | 500 | 0.43% |
| 10 Rex W Williams | 500 | 0.43% |
| 11 Sylvan F Seely | 1,000 | 0.87% |
| 12 Jackson W Allred | 1,000 | 0.87% |
| 13 Miriam Smith | 500 | 0.43% |
| 14 Clyde W Haws | 500 | 0.43% |
| 15 Thomas K Baker | 500 | 0.43% |
| 16 Clyde G. Seely | 1,000 | 0.87% |
| 17 Paul M Ginsburg | 500 | 0.43% |
| Shares issued and outstanding | 115,090 | 100.00% |

EDS

CITY OF CHICAGO

ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

(Economic Development/Housing Transactions)

Pursuant to Chapter 2-154 of the Municipal Code of Chicago (the "Municipal Code"), the following information is required to be disclosed prior to any City agency, department or City Council action. Please fully complete each statement, with all information current as of the attestation date. Every question must be answered. If a question is not applicable, answer with "N.A." An incomplete EDS shall be returned and any City action shall be interrupted.

Please print or type all responses clearly and legibly. If you need additional space for a response, attach extra pages. Please indicate the question to which you are responding on any extra pages you attach.

Please note that this Economic Disclosure Statement and Affidavit (the "EDS") requires you to obtain various certifications from certain other parties before they may perform any work in connection with the project. The terms of the required certifications are set forth below in Sections V, VII, VIII, IX and X.

WHO MUST FILE:

1. The Applicant: Any individual or entity (the "Applicant") making an application to the City of Chicago (the "City") for action requiring City Council or other City agency approval must file this EDS. For example, with respect to a City loan or grant, the individual or entity applying for the loan or grant is the "Applicant."
2. Entities holding an interest in the Applicant: Whenever an ownership interest in the Applicant (such as shares of stock of the Applicant or a limited partnership interest in the Applicant, for example) is held or owned by a legal entity (such as a corporation or partnership, for example) rather than an individual, each such legal entity must also file an

EDS on its own behalf. If the Applicant is a not-for-profit corporation with members who elect the board of directors, those members who are legal entities and not individuals must also file EDS's on their own behalf. (Individuals who have ownership interests in the Applicant or who are members of a not-for-profit Applicant are not required to file an EDS on their own behalf.) However, if the Applicant is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only legal entities that own 10 percent or more of the Applicant's stock must file EDS's on their own behalf. A legal entity that holds an ownership interest in the Applicant and that is required to file an EDS on its own behalf shall be referred to hereinafter as a "First-Tier Related Entity."

3. Entities holding direct or indirect interest in a First-Tier Related Entity: The same rules described in (2) above also apply to owners of First-Tier Related Entities, owners of such owners, and so on.

The individual or legal entity completing this EDS shall be referred to as the "undersigned" throughout this EDS. If the party completing this EDS is not an individual but is a legal entity (such as, for example, a corporation or partnership), the person signing this EDS on behalf of such party shall be referred to as the "signatory of the undersigned."

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

INFORMATION TO BE KEPT CURRENT: All disclosures must be current as of the date upon which the application is presented to the City Council or other City agency, and shall be maintained current until such time as the City Council or City agency shall take action on the application. This requires (i) the submission of this EDS at the time the initial application is made; and (ii) a recertification of this EDS (a) at the time the related ordinance, if any, is submitted to the City Council if such

submission is more than 60 days following the original execution of this EDS; and (b) upon the closing of the related transaction.

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

I. GENERAL INFORMATION

A. Exact legal name of undersigned: Prism Financial Incorporated

B. Business address: 400 North Orleans, Chicago, IL 60610

C. Telephone: (312) 494-0020

D. Fax: (312) 494-1481

E. Name of contact person: Mark Filler

F. City agency receiving this EDS: Department of Housing.

G. Type of action requested: Financing.

H. Project location: 6650 W. Belden Avenue, Chicago, IL 60607

I. Brief project description: 153 units of affordable housing for

Seniors.

J. Description and purpose of requested City assistance: _____

Financing through tax exempt bonds with tax credits.

II. DISCLOSURE OF OWNERSHIP INTERESTS

A. GENERAL INFORMATION

1. Indicate whether the undersigned is an individual or legal entity and, if a legal entity, indicate the type of entity below:

- Individual
 - Business corporation
 - Not-for-profit corporation
 - General partnership
 - Limited partnership
 - Limited liability company
 - Joint venture
 - Sole proprietorship
 - Other entity (please specify) _____
-

2. State of incorporation or organization, if applicable:

Delaware

3. For corporations, limited partnerships and limited liability companies not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes No

B. ORGANIZATION INFORMATION

1. FOR CORPORATIONS:

a List below the names and titles of the executive officers and directors of the corporation

| Name | Title |
|--------------------------------------|------------------------------|
| Mark Filler --Prism Fiancial Corp. | President, CEO |
| Terry Markus - Prism Financial Corp. | President of Prism, Illinois |
| James T. Rager - Royal Bank | Vice Chairman |
| Peter W. Currie Royal Bank | Vice Chairman & CFO |
| Janice R. Fukakusa - Royal Bank | Executive Vice President |
| Shauneen E. Bruder - Royal Bank | Sr. Vice President |

b For business corporations with 100 or more shareholders, list below the name, business address and percentage of ownsrnip interest of each shareholder owning shares equal to or in excess of 7 5 percent of the total issued and outstanding shares.

| Name | Business Address | Percentage Interest |
|-------|------------------|---------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

c For business corporations with fewer than 100 shareholders, list below the name, business address and percentage of ownership interest of each shareholder

| Name | Business Address | Percentage Interest |
|----------------------|---|---------------------|
| Royal Bank of Canada | 200 Bay St., 8th Floor Toronto, Ontario, Canada M5J 2J5 | 100% |
| | | |
| | | |
| | | |

d For not-for-profit corporations, list below the name, business address and percentage of control of each member. If there are no members, write "no members."

| Name | Business Address | Percentage Control |
|------|------------------|--------------------|
| N/A | | |
| | | |
| | | |
| | | |

2. FOR PARTNERSHIPS:

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

| Name | Business Address | Percentage Interest |
|------|------------------|---------------------|
| N/A | | |
| | | |
| | | |

3 FOR LIMITED LIABILITY COMPANIES:

- a. List below the names and titles of the executive officers, if any, of the limited liability company. If there are no officers, write "no officers."

| Name | Title |
|------|-------|
|------|-------|

N/A

- b. List below the name, business address and percentage of ownership interest of each (1) member and (11) manager. If there are no managers, write "no managers."

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

N/A

4 FOR LAND TRUSTS, BUSINESS TRUSTS OR ESTATES:

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

N/A

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

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

N/A

5. OTHER OWNERSHIP INTERESTS

- a. Is any ownership interest in the undersigned, as described in (1) (b) - (d), (2), 3(b) or (4) (b) above, held by one or more agents or one or more nominees on behalf of another individual or legal entity?

Yes No

If so, list below the name, business address and percentage of ownership interest of each principal (whether an individual or legal entity) for whom such agent(s) or nominee(s) are holding their ownership interest(s) in the

undersigned, and identify each principal's agent or nominee

Principal's

| Name | Address | Percentage Interest | Agent/Nominee |
|------|---------|---------------------|---------------|
|------|---------|---------------------|---------------|

d. Is any ownership interest in the undersigned, as described in (1)(b)-(d), (2), 3(b) or (4)(b) above, constructively controlled (other than through an agent or nominee) by another individual or legal entity?

Yes No

If so, list below (i) the name of each individual or legal entity whose ownership interest is constructively controlled, (ii) the name, business address and percentage of ownership interest of each individual or legal entity possessing such control, and (iii) the means by which such control is or may be exercised.

III. OTHER PROJECT INFORMATION

A. List below the name and business address of each individual or legal entity currently holding legal title to the

property for which City assistance is being requested (the "Property"):

American National Bank and Trust Company of Chicago, as Trustee under Trust

No. 52930.

- B. If title to the Property is held in a land trust, list below the name, business address and percentage of interest of each beneficiary. If all of this information has already been provided in Section II above, indicate that below and do not repeat it here:

Grand Equities, Inc., an Illinois corporation - 100%

- C. Real estate tax index number(s) for the Property:

PIN #1331205061 and PIN #1331205062

- D. Have all water charges, sewer charges, property taxes and sales taxes, due and payable on or prior to the date hereof and concerning the Property, been paid as of the date of this EDS?

Yes No

If no, describe below the kind and dollar amount of such charges or taxes and indicate by what date full payment

shall be made. Failure to make full payment may halt any requested City action

IV. ADDITIONAL INFORMATION

Has the undersigned or any member, partner, beneficiary or owner of the undersigned:

A. ever been a defendant in any civil or criminal suits or legal actions?

Yes No

B. ever had any debts discharged, satisfied or settled under the Bankruptcy Act?

Yes No

C. ever had a judgment entered against him/her/it?

Yes No

D. ever been a party to a foreclosure, a deed in lieu of foreclosure, a loan default or loan "workout" situation?

Yes No

NOTE: If the answer to any of the above questions is "yes," attach a separate schedule explaining the circumstances, parties involved and resolution or status. A specific description must be provided for each case.

V. CERTIFICATION OF ENVIRONMENTAL COMPLIANCE

A. Neither the undersigned nor any "Affiliated Entity" (as defined below) of the undersigned has, during a period of five years prior to the date hereof:

- (1) violated or engaged in any conduct which violated Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other "Environmental Restriction" (as defined below);
- (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from the City, the State of Illinois, the federal government, any state or political subdivision thereof, or any agency, court or body of the federal government or any state or political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions, relating to a violation or alleged violation of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction; or
- (3) been subject to any fine or penalty of any nature for failure to comply with Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction.

B. If the undersigned is unable to certify to any of the above statements in this Section V, the undersigned shall identify all exceptions and indicate whether any such exceptions occurred within the City or otherwise pertain to the City:

[If no explanation appears or begins on the lines above, it shall be conclusively presumed that the undersigned certifies to each of the above statements]

C. The undersigned covenants and agrees that the undersigned shall:

- (1) prior to completion of the project to which this EDS pertains (the "Project"), not violate any provision of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction;
- (2) not use any facility on the United States Environmental Protection Agency's List of Violating Facilities (the "List") in connection with the Project for the duration of time that the facility remains on the List; and
- (3) immediately notify any federal agency which is awarding funds in connection with the Project if a facility that the undersigned intends to use is on the List or if the undersigned knows that any such facility has been recommended to be placed on the List.

D. The undersigned has obtained certifications in form and substance equal to Section V(A)-(B) of this EDS from all contractors or subcontractors that the undersigned presently intends to use in connection with the Project. As to contractors or subcontractors to be used in connection with the Project who are not yet known to the undersigned, the undersigned shall obtain certifications in form and substance equal to Section V(A)-(B) of this EDS from all such parties prior to using them in connection with the Project.

E. The undersigned shall not, without the prior written consent of the City, use any contractor or subcontractor in connection with the Project if the undersigned, based on information contained in such party's certification or any other information known or obtained by the undersigned, has reason to believe that such contractor or subcontractor has, within the preceding five years, been in violation of any Environmental Restriction, received notice of any claim

relating to a violation of an Environmental Restriction, or been subject to any fine or penalty for a violation of an Environmental Restriction.

- F. Further, the undersigned shall not, without the prior written consent of the City, use as a contractor or subcontractor in connection with the Project any person or entity from which the undersigned is unable to obtain certifications in form and substance equal to Section V(A) - (B) of this EDS or which the undersigned has reason to believe cannot provide truthful certifications.
- G. The undersigned shall maintain for the duration of the requested City assistance all certifications of all contractors and subcontractors required by Section V(D) above, and shall make such certifications promptly available to the City upon request.
- H. Definitions:

- (1) Entities are "affiliated" if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership identity of interests among family members; shared facilities and equipment; common use of employees; or organization of another business entity using substantially the same management, ownership or principals as the first entity.
- (2) "Environmental Restriction" means any statute, ordinance, rule, regulation, permit, permit condition, order or directive relating to or imposing liability or standards of conduct concerning the release or threatened release of hazardous materials, special wastes or other contaminants into the environment, and to the generation, use, storage, transportation or disposal of construction debris, bulk waste, refuse, garbage, solid wastes, hazardous materials, special wastes or other contaminants, including but not limited to: (a) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et

seq.), (b) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), (c) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), (d) the Clean Water Act (33 U.S.C. § 1251 et seq.), (e) the Clean Air Act (42 U.S.C. § 7401 et seq.), (f) the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.), (g) the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), (h) the Occupational Health and Safety Act of 1970 (29 U.S.C. § 651 et seq.), (i) the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 et seq.); and (j) the Illinois Environmental Protection Act (415 ILCS 5/1 through 5/56.6)

VI. CHILD SUPPORT OBLIGATIONS

For purposes of this Section VI, "Substantial Owner" means any individual who owns or holds a 10 percent or more "Percentage of Interest" (as defined below) in the undersigned. If the undersigned is an individual or sole proprietorship, the "Substantial Owner" means that individual or sole proprietor. "Percentage of Interest" includes direct, indirect and beneficial interests in the undersigned. "Indirect or beneficial interest" means that an interest in the undersigned is held by a corporation, joint venture, trust, partnership, association, estate or other legal entity, in which the individual holds an interest, or by agent(s) or nominee(s) on behalf of an individual or entity. For example, if Corporation B owns a 20 percent interest in the undersigned, and an individual has a 50 percent percentage of interest in Corporation B, then such individual indirectly has a 10 percent percentage of interest in the undersigned and is a Substantial Owner. If Corporation B is held by another entity, then this analysis similarly must be applied to that next entity (and so forth to any additional levels of ownership) to determine whether any individuals indirectly hold a 10 percent or more interest in the undersigned.

If the undersigned's response below is (A) or (B), then all of the undersigned's Substantial Owners must remain in compliance with any such child support obligations (i) throughout the term of the requested City assistance to which this EDS pertains, or (ii) until completion of the undersigned's obligations to the

City in connection with the Project, whichever is later. Failure of the undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either (A) or (B) below constitutes an event of default.

Check one:

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

VII. CERTIFICATION

The signatory of the undersigned, being first duly sworn, on oath hereby certifies, deposes and says, under penalty of perjury, as follows:

- A The signatory is authorized to execute this EDS on behalf of the undersigned, the information disclosed herein is true and complete to the best of his/her knowledge; no disclosures as to economic interest in the Project have been withheld; and no information has been reserved as to the intended use or purpose for which the undersigned (or a related entity) seeks action by the City Council or pertinent City agency.

- B. Except as described in Section III(D) hereof, if applicable, the undersigned is (a) not in default or in arrears on any outstanding commercial loans, water charges, sewer charges, property taxes, sales taxes or other fines, fees, taxes, assessments or charges owed to the City, personally or by any partnership, corporation, joint venture or land trust in which the undersigned has at least a five percent beneficial interest; and (b) not delinquent in the payment of any tax administered by the Illinois Department of Revenue, or if delinquent, the undersigned is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for such tax or the amount of such tax, or the undersigned has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

- C. Since the initial date of application, the undersigned has not done or suffered to be done anything that could in any way adversely affect the title to the Property and, except as described herein, no proceedings have been filed by or against the undersigned, nor has any judgment or decree been rendered against the undersigned, nor is there any judgment note or other instrument that can result in a judgment or decree against the undersigned within five days from the date thereof.

D The undersigned has either paid in full or settled all outstanding parking violation complaints issued to any vehicle owned or controlled by the undersigned personally, or by any partnership, corporation, joint venture or land trust in which the undersigned has control or an ownership interest exceeding five percent in such entity

E The undersigned and its principals:

- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;-
- (2) have not within a three-year period preceding the date hereof been convicted of a criminal offense or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- (3) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (b) above; and
- (4) have not within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default.

F. The undersigned, or any party to be used in the performance of the Project (an "Applicable Party"), or any Affiliated Entity of either the undersigned or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the

undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not, during the three years prior to the date hereof or, with respect to an Applicable Party or any Affiliated Entity thereof, during the three years prior to the date of such Applicable Party's contract in connection with the Project:

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

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

H. Neither the undersigned nor any employee, official, agent or partner of the undersigned is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3, as amended, supplemented and restated from time to time; (2) bid-rotating in violation of 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time;

or (3) any similar offense of any state or of the United States of America which contains the same elements as the offense of bid-rigging or bid-rotating

- I If the undersigned is unable to certify to any of the above statements in this Section VII, the undersigned shall explain below:

[If no explanation appears or begins on the lines above, it shall be conclusively presumed that the undersigned certifies to each of the above statements.]

VIII. APPLICABLE PARTIES

- A. The undersigned has obtained certifications in form and substance equal to Section VII(E)-(I) of this EDS from all Applicable Parties that the undersigned presently intends to use in connection with the Project. As to Applicable Parties to be used in connection with the Project who are not yet known to the undersigned, the undersigned shall obtain certifications in form and substance equal to Section VII(E)-(I) of this EDS from all such Applicable Parties prior to using them in connection with the Project.
- B. The undersigned shall not, without the prior written consent of the City, use any Applicable Party in connection with the Project if the undersigned, based on information contained in such Applicable Party's certification or any other information known or obtained by the undersigned, has reason to believe that:
- (1) during the three years prior to the date of such Applicable Party's contract in connection with the Project, such Applicable Party, such Applicable Party's Affiliated Entity, or any official, agent

or employee of such Applicable Party or Affiliated Entity has engaged in, been convicted of, or made an admission of guilt of any of the conduct listed in Section VII(F) above;

- (2) such Applicable Party or any official, agent, partner or employee of such Applicable Party is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rigging, bid-rotating, or any similar offense of any state or of the United States of America which contains the same elements as bid-rigging or bid-rotating; or
- (3) any of the circumstances described in Section VII(H) above applies to such Applicable Party or its principals.

- C. Further, the undersigned shall not, without the prior written consent of the City, use in connection with the Project any person or entity from which the undersigned is unable to obtain certifications in form and substance equal to Section VII(E)-(I) of this EDS or which the undersigned has reason to believe cannot provide truthful certifications.
- D. For all Applicable Parties, the undersigned shall maintain for the duration of the requested City assistance all certifications of all Applicable Parties required by Section VIII(A) above, and the undersigned shall make such certifications promptly available to the City upon request.

IX. RESTRICTION ON LOBBYING

- A. List below the names of all persons registered under the Lobbying Disclosure Act of 1995, 2 U.S.C. § 1601 et seq. (the "Disclosure Act"), who have made lobbying contacts on behalf of the undersigned with respect to the transaction to which this EDS pertains (the "Transaction"). If there are no such persons, write "none."

None.

- B. The undersigned certifies that it has not and shall not expend any Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, as defined by applicable Federal law, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. Accordingly, the undersigned has not used any Federal appropriated funds to pay any person listed in Section IX(A) above for his/her lobbying activities in connection with the Transaction.
- C. The undersigned shall submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affect the accuracy of the statements and information set forth in paragraphs (A) and (B) above.
- D. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Transaction, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- E. Either (1) the undersigned is not an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986; or (2) the undersigned is an organization

described in Section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and shall not engage in "lobbying activities," as defined in the Disclosure Act.

- F. The undersigned shall obtain certifications equal in form and substance to paragraphs (A) through (E) above from all contractors and subcontractors prior to the award of any contract/subcontract with such parties in connection with the Transaction. The undersigned shall maintain all such certifications of such parties for the duration of the Transaction and shall make such certifications promptly available to the City upon request.

X. NONSEGREGATED FACILITIES

- A. The undersigned certifies that it does not and shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and shall not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The undersigned agrees that a breach of this certification is a violation of the Equal Opportunity clause.
- B. "Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin because of habit, local custom or otherwise.
- C. The undersigned further agrees that it shall obtain or cause to be obtained identical certifications from proposed contractors or subcontractors in connection with the Project before the award of contracts or subcontracts under which the contractor/subcontractor

will be subject to the equal opportunity clause
Contracts and subcontracts exceeding \$10,000, or having
an aggregate value exceeding \$10,000 in any 12-month
period, are generally subject to the equal opportunity
clause. See 41 C.F.R. Part 60 for further information
regarding the equal opportunity clause

- D The undersigned shall forward or cause to be forwarded
the following notice to proposed contractors and
subcontractors.

**NOTICE TO PROSPECTIVE CONTRACTORS/SUBCONTRACTORS OF
REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED
FACILITIES**

A Certification of Nonsegregated Facilities must be
submitted before the award of a contract/subcontract
under which the contractor/subcontractor will be
subject to the Equal Opportunity clause. The
certifications may be submitted either for each
contract/subcontract or for all contracts/subcontracts
during a period (e.g., quarterly, semiannually or
annually).

XI. EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require that the undersigned and proposed
contractors/subcontractors submit the following information with
their bids or in writing at the outset of negotiations:

- A. Have you developed and do you have on file affirmative
action programs pursuant to applicable federal regulations?
(See 41 C.F.R. Part 60-2.)

[] Yes [X] No

- B. Have you participated in any previous contracts or
subcontracts subject to the equal opportunity clause?

[] Yes [X] No

- C. If the answer to (B) is yes, have you filed with the Joint
Reporting Committee, the Director of OFCC, any federal

agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements of these organizations?

Yes No N/A

XII. RETAINED PARTIES

A. Definitions and Disclosure Requirements

1 Pursuant to Executive Order 97-1, every City contract and lease must be accompanied by a statement disclosing certain information about attorneys, lobbyists, accountants, consultants, subcontractors and other persons whom the undersigned has retained or expects to retain in connection with the contract or lease. In particular, the undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the amount of the fees paid or estimated to be paid. The undersigned is not required to disclose employees who are paid solely through the undersigned's regular payroll.

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

3. If the undersigned is uncertain whether a disclosure is required under this Section XII, the undersigned must either ask the City whether disclosure is required or make the disclosure.

B Certification

Each and every attorney, lobbyist, accountant, consultant, subcontractor or other person retained or anticipated to be retained by the undersigned with respect to or in connection with the City assistance to which this EDS pertains is listed below:

| Name | Business Address | Relationship (attorney, lobbyist, contractor, etc.) | Fees (indicate whether paid or estimated) |
|------|------------------|---|---|
|------|------------------|---|---|

CHECK HERE IF NO SUCH PERSONS HAVE BEEN RETAINED OR ARE ANTICIPATED TO BE RETAINED: X

XIII. BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. Definitions and Disclosure Requirement

1. Pursuant to an ordinance approved by the City Council on December 2, 1998, the undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months prior to the date of execution of this EDS.

2. A "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; provided, however, a "financial interest" shall not include: (i) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" shall not

include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City

B. Certification

1. Has the undersigned had a "business relationship" with any City elected officials in the 12 months prior to the date of execution of this EDS?

[] Yes [X] No

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

N/A

XIV. CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The undersigned understands and agrees that:

A. The certifications contained in this EDS shall become part of any contract awarded to the undersigned by the City in connection with the City assistance to which this EDS pertains, and are a material inducement to the City's execution of such contract or other action with respect to which this EDS is being executed and delivered on behalf of the undersigned. Furthermore, the undersigned shall comply with the certifications contained herein during the term and/or performance of the contract or completion of the Transaction.

B. If the City determines that any information provided herein is false, incomplete or inaccurate, the City may terminate the Transaction, terminate the undersigned's participation in the Transaction, and/or decline to allow the undersigned to participate in other contracts or transactions with the City.

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

Prism Financial Corporation

(Print or type name of individual or legal entity--this should be the same name as given in Section I (A) hereof)

By: _____

(sign here)

Title of signatory: President/CEO

Print or type

name of signatory: Mark A Filler

Date: 8/22, 2000, ~~199~~

Subscribed to before me this 22nd day of August, ~~199~~ at Cook County, Illinois.

Lisa Marie Vorkapic
Notary Public

Commission expires: 7/6/2002

