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Karen A. Yarbrough  
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**CASA QUERETARO RENTAL PROJECT  
REDEVELOPMENT AGREEMENT**

This Casa Queretaro Rental Project Redevelopment Agreement (the "**Agreement**") is made as of this 16<sup>th</sup> day of December, 2014, by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Planning and Development ("**DPD**"), and Casa Queretaro LP, an Illinois limited partnership ("**Partnership**") and The Resurrection Project, an Illinois not-for-profit corporation ("**TRP**"), and together with Partnership, the "**Developer Parties**").

**RECITALS:**

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

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

**C. City Council Authority:** To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on February 5, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Western/Ogden Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Western/Ogden Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for

the Western/Ogden Redevelopment Project Area" (the "TIF Adoption Ordinance"). Collectively the three ordinances are defined as the "TIF Ordinances". The Redevelopment Area (as defined below) is legally described on Exhibit A.

**D. The Project:** TRP has acquired from the City (the "Acquisition") certain property comprised of approximately one acre generally located at 1614 South Damen Avenue at the Northwest corner of South Damen and West 17<sup>th</sup> Street located wholly within the Redevelopment Area as legally described on Exhibit B hereto (the "Property"). TRP will contribute or otherwise convey the Property to Partnership, and, in accordance with this Agreement and within the time frames set forth in Section 3.01 hereof, the Developer Parties shall commence and complete the following activities (collectively, the "Project"): construct one new 45-unit multi-family rental building for low-income families, including 15 units to be dedicated for use as public housing (the "CHA Units"), and an adjacent 35-vehicle surface parking lot (the "Facility") on the Property, which will consist of one-, two- and three-bedroom rental units and related common areas. The Facility shall have energy efficient features such as double glazed windows; high efficiency individual furnaces and central air conditioning in each unit; Energy Star-refrigerators; high efficiency lighting in units and common areas; low VOC paints and adhesives; floor materials will include 75% recycled content material. The following standard features will be included in each unit: kitchens with a large stainless steel sink, and a gas stove with a fully vented exhaust hood; at least one bathroom that is fully adaptable to ADA requirements, with full size tubs and linen closets; cable; and an intercom entry system. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

**E. Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago Western/Ogden Tax Increment Finance Program Redevelopment Plan and Project, as amended from time-to-time (the "Redevelopment Plan").

**F. City Financing and Assistance:** The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes to pay or reimburse the Developer Parties for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes (as defined below) pursuant to a TIF bond ordinance (the "TIF Bond Ordinance"), at a later date as described and conditioned in Section 4.07 hereof. The proceeds of the TIF Bonds (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes.

**G. Environmental Matters:** In 2008, GSG Consultants, Inc. ("GSG") conducted a Comprehensive Site Investigation of the Property for TRP. GSG prepared a Phase I Environmental Site Assessment Report, dated February 24, 2014, for TRP (the "Phase I Report"). GSG prepared a Remediation Objectives Report Remedial Action Plan, dated February 2009, for TRP. Due to a change in the plans for the development of the Property, GSG prepared an Updated Comprehensive Site Investigation Report, dated April 2014, for TRP. Due to a change in the plans for the development of the Property, GSG prepared an Updated Remediation Objectives Report Remedial Action Plan, dated April 2014, for TRP (the "ROR/RAP"). The ROR/RAP contained the following recommendations for remedial action activities: soil will be excavated to a minimum of three feet across the entire Property and disposed of off-site at an approved landfill; upon completion of soil excavation and off-site disposal activities at the Property engineered barriers will be installed across the entire Property; proposed engineered barriers will consist of a minimum of three feet of clean fill across the entire Property and then capped with concrete, permeable pavers, granite and other landscaping materials; clean imported materials will be utilized as backfill for the excavated

areas of the Property; and a deed restriction for the Property requiring the maintenance of the previously described engineered barriers will be used as an institutional control.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**AGREEMENT:**

**SECTION 1: RECITALS HEADINGS AND EXHIBITS**

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B-1 *Property Legal Description
3. The Project	B-2 Site Plan
4. Financing	C-1 *Project Budget
5. Conditions Precedent	C-2 *Construction (MBE/WBE) Budget
6. Agreements with Contractors	D *TIF-Funded Improvements
7. Completion of Construction or Rehabilitation	E Construction Contract
8. Covenants/Representations/Warranties of Developer	F Approved Prior Expenditures
9. Covenants/Representations/Warranties of the City	G *Permitted Liens
10. Developer's Employment Obligations	H Opinion of Developer Parties Counsel
11. Environmental Matters	I Form of Payment Bonds
12. Insurance	J Requisition Form
13. Indemnification	K *Lender Financing
14. Maintaining Records/Right to Inspect	L Escrow Agreement
15. Defaults and Remedies	M Form of Certificate of Completion
16. Mortgaging of the Project	(An asterisk (*) indicates which exhibits are to be recorded.)
17. Notice	
18. Miscellaneous	

**SECTION TWO: DEFINITIONS**

For purposes of this Agreement the following terms shall have the meanings stated below:

**“Acquisition”** has the meaning defined in the recitals.

**“Act”** has the meaning defined in the recitals.

**“Actual Residents of the City”** has the meaning defined for such phrase in Section

10.02(c) hereof.

**“Affiliate”** means any individual, corporation, partner, partnership, trust or entity which owns or controls a controlling interest, or is owned or controlled by, or is under common ownership or control with, in whole or in part, a Developer Party or any successor to a Developer Party or its respective subsidiary(ies) or parent(s).

**“Agreement”** has the meaning defined in the Agreement preamble.

**“All Applicable Public Housing Requirements”** means all requirements applicable to public housing, including, without limitation, the Housing Act, HUD regulations thereunder (except to the extent that HUD has granted waivers of regulatory requirements), the Consolidated Annual Contribution Contract between HUD and CHA (including the Mixed Finance Amendment), the Mixed Finance Proposal, as amended, the Declaration of Restrictive Covenants, the Amended and Restated Moving to Work Demonstration Agreement, and all other pertinent Federal statutory, executive order, and regulatory requirements, as such requirements may be amended from time to time.

**“AMI”** shall mean Chicago-area median income, adjusted for family (as defined in 24 C.F.R. Part 5.403) size, as determined from time to time by HUD.

**“Annual Compliance Report”** shall mean a signed report from the Partnership to the City (a) itemizing each of the Developer Parties' obligations under this Agreement during the preceding calendar year, (b) certifying the Developer Parties' compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer Parties are not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) delivery of Financial Statements and unaudited financial statements (Section 8.12); (2) delivery of updated insurance certificates, if applicable (Section 8.13); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.14); (4) compliance with the Affordability Requirements (Section 8.19); and (5) compliance with all other executory provisions of this Agreement.

**“Available Incremental Taxes”** means, for each payment, an amount equal to the Incremental Taxes on deposit in the Redevelopment Project Area Special Tax Allocation Fund as of December 31st of the calendar year prior to the year in which the Requisition Form for such payment is received by the City, and which is available for the financing or payment of Redevelopment Project Costs, after deducting (i) the City Fee, (ii) all Incremental Taxes previously allocated or pledged by the City before the date of this Agreement including, without limitation, Incremental Taxes allocated or pledged for the Prior TIF Financings, and (iii) debt service payments with respect to the Bonds, if any.

**“Available Project Funds”** means: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity, and (iv) any other amounts deposited by the Developer pursuant to this Agreement.

**“Bonds”** has the meaning defined in Section 8.05 hereof.

**“Bundle”** has the meaning defined in Section 8.01(q) hereof.

**“Business Day”** means any day other than Saturday, Sunday or a legal holiday in the State.

**“Certificate”** means the Certificate of Completion of Construction described in Section 7.01.

**“CHA”** means the Chicago Housing Authority.

**“CHA Documents”** means the Declaration of Restrictive Covenants, the Regulatory and Operating Agreement, The Right of First Refusal and the CHA Loan Agreement.

**“CHA Units”** shall mean the 15 residential units in the Project to be dedicated for use as “public housing” as defined in Section 3(b) of the Housing Act

**“CHA Residents”** shall mean tenants who qualify as being eligible to occupy “public housing” as defined in Section 3(b) of the Housing Act.

**“Change Order”** means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.04.

**“City”** has the meaning defined in the Agreement preamble.

**“City Contract”** has the meaning defined in Section 8.01(o) hereof.

**“City Council”** means the City Council of the City of Chicago as defined in the recitals.

**“City Fee”** means the funds described in Section 4.09 hereof.

**“City Funds”** means the funds described in Section 4.03(b) hereof.

**“City Group Member”** has the meaning defined in Section 8.10 hereof.

**“City Regulatory Agreement”** means that certain Regulatory Agreement entered into on the date hereof by Partnership and the City.

**“City Title Commitment”** has the meaning defined in Section 3.12(c) hereof.

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

**“Construction Contract”** means collectively those certain contracts substantially in the form of Exhibit E, to be entered into between Developer Parties and the General Contractor (as defined below) providing for construction of the Project.

**“Construction Program”** has the meaning defined in Section 10.03 hereof.

**“Contribution”** has the meaning defined in Section 8.01(q) hereof.

**“Corporation Counsel”** means the City’s Office of Corporation Counsel.

**“CQAC”** means Casa Queretaro Apartments Corporation, NFP, an Illinois not-for-profit corporation.

**“Deed”** has the meaning defined in Section 3.12(b) hereof.

**“Davis-Bacon Act”** shall mean 40 U.S.C. Section 276a et seq.

**“Developer Parties”** has the meaning defined in the Agreement preamble.

**“Domestic Partners”** has the meaning defined in Section 8.01(g) hereof.

**“DPD”** means the City’s Department of Planning and Development, or any successor department thereto.

**“EDS”** means the City’s Economic Disclosure Statement and Affidavit, on the City’s then current form, whether submitted in paper or via the City’s online submission process.

**“Employer(s)”** has the meaning defined in Section 10.01 hereof.

**“Environmental Laws”** means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code, including but not limited to the Municipal Code, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

**“Equity”** means funds of Developer Parties (other than funds derived from Lender Financing (as defined below)) available as and when required for the Project, in the amount stated in Exhibit K attached hereto, which amount may be increased pursuant to Section 4.06 hereof (Cost Overruns).

**“Escrow Agreement”** means that certain Escrow Agreement entered into as of the Closing Date by the City, Developer Parties, Lenders and other parties, in substantially the form attached as Exhibit L.

**“Event of Default”** has the meaning defined in Section 15.01 hereof.

**“Existing Materials”** shall mean the Hazardous Materials and other environmental conditions described in any SRP reports existing on the Property prior to or as of the Closing Date.

**“Existing Mortgages”** has the meaning defined in Section 16.01 hereof.

**“Facility”** has the meaning defined in the recitals.

**“Financial Statements”** means, for each of Partnership and TRP, the financial statements of such Developer Party regularly prepared by such Developer Party, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the Lenders pursuant to Partnership’s loan agreement(s), if any.

**“FOIA”** has the meaning defined in Section 8.25(a) hereof.

**“General Contractor”** means the general contractor(s) hired by Developer Parties under Section 6.01 hereof.

**“Governmental Charge”** has the meaning defined in Section 8.18(a) hereof.

**“GSG”** has the meaning defined in the recitals.

**“Hazardous Materials”** means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs), polychlorinated biphenyls (PCBs), RCRA metals which exceed the IEPA Tier 1 remediation objectives, crude oil, any fraction thereof, or refined petroleum products such as oil, gasoline, or other petroleum-based fuels, lead paint, asbestos or asbestos-containing materials, urea formaldehyde, any radioactive material or by-product material, radon and mold.

**“Housing Act”** shall mean the United States Housing Act of 1937 (42 USC §1437, et seq.) as amended from time to time, any successor legislation and all implementing regulations issued thereunder or in furtherance thereof.

**“HUD”** shall mean the United States Department of Housing and Urban Development.

**“Human Rights Ordinance”** has the meaning defined in Section 10.01(a) hereof.

**“IEPA”** means the Illinois Environmental Protection Agency, or any successor agency thereto.

**“In Balance”** has the meaning defined in Section 4.08(g) hereof.

**“Incremental Taxes”** means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Redevelopment Project Area Special Tax Allocation Fund.

**“Indemnitee”** and **“Indemnitees”** have the respective meanings defined in Section 13.01 hereof.

**“Lender”** means any governmental agency, including but not limited to CHA, or financial lending institution providing Lender Financing.

**“Lender Financing”** means funds borrowed by Partnership from Lenders and available to pay for costs of the Project, in the amount stated in Exhibit K, if any.

**“Limited Partner”** means NEF Assignment Corporation, an Illinois not-for-profit corporation, or another affiliate of NEF Assignment Corporation and its successors and assigns.

**“Local Records Act”** has the meaning defined in Section 8.25(c) hereof.

**“MBE(s)”** has the meaning defined in Section 10.03 hereof.

**“MBE/WBE Budget”** shall mean the budget attached hereto as Exhibit C-2, as described in Section 10.03 hereof.

**“MBE/WBE Program”** has the meaning defined in Section 10.03 hereof.

**“Municipal Code”** means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

**“NEF”** means National Equity Fund, Inc., an Illinois not-for-profit corporation.

**“New Mortgage”** has the meaning defined in Section 16.01 hereof.

**“NFRL”** shall mean a final Comprehensive No Further Remediation Letter issued pursuant to the SRP.

**“Non-Governmental Charges”** means all non-governmental charges, liens, claims, or encumbrances relating to Developer Parties, the Property or the Project.

**“Other Contract”** has the meaning defined in Section 8.01(q) hereof.

**“Partnership”** has the meaning defined in the Agreement preamble.

**“Permitted Liens”** means those liens and encumbrances against the buildings in the Project and/or the Project stated in Exhibit G.

**“Permitted Mortgage”** has the meaning defined in Section 16.01 hereof.

**“Phase I Report”** has the meaning defined in the recitals.

**“Plans and Specifications”** means final construction documents containing a site plan and working drawings and specifications for the Project.

**“Political fundraising committee”** has the meaning defined in Section 8.01(q) hereof.

**“Pre-existing Environmental Conditions”** means the presence of any Hazardous Materials at, on, under or about the Property as of the Closing Date.

**“Prior Expenditure(s)”** has the meaning defined in Section 4.05 hereof.

**“Prior TIF Financings”** shall mean, collectively, the following:

a. Pursuant to a note ordinance adopted by the City Council on June 4, 2003, as amended on November 1, 2006, the City issued on May 11, 2004 its Tax Increment Allocation Revenue Note (Chicago Christian Industrial League Properties, Inc. Redevelopment Project), Taxable Series 2004A in the amount of \$2,000,000 and its Tax Increment Allocation Revenue Note (Chicago Christian Industrial League Properties, Inc. Redevelopment Project), Taxable Series 2004B, in the amount of \$3,522,900 to the Chicago Christian Industrial League Properties, Inc., secured by the pledge of certain taxes generated by parcels within the Redevelopment Area for the payment of redevelopment project costs in connection with the Chicago Christian Industrial League Properties, Inc. redevelopment project;

b. Pursuant to an ordinance adopted by the City Council on November 15, 2012, the City entered into a redevelopment agreement with The American National Red Cross, dated



as of April 12, 2013, whereby the City pledged certain taxes generated by parcels within the Redevelopment Area for the payment of redevelopment project costs in connection with the American National Red Cross redevelopment project in an amount not to exceed \$500,000.

c. Pursuant to a Master Intergovernmental Agreement between the City and the Public Building Commission dated February 1, 2000 and a Supplemental Intergovernmental Agreement dated April 1, 2002, the City entered into an intergovernmental agreement with the Public Building Commission dated December 31, 2012, whereby the City pledged certain taxes generated by parcels within the Redevelopment Area for payment of redevelopment project costs in connection with the Public Building Commission (Chicago Children's Advocacy Center) redevelopment project in an amount not to exceed \$9,000,000.

d. Pursuant to an ordinance adopted by the City Council on May 4, 2011, the City entered into an intergovernmental agreement with the Chicago Park District dated April 1, 2014, whereby the City pledged certain taxes generated by parcels within the Redevelopment Area for payment of redevelopment project costs in connection with the Livingston Field (Park No. 510) redevelopment project in an amount not to exceed \$3,000,000.

**"Procurement Program"** has the meaning defined in Section 10.03 hereof.

**"Project"** has the meaning defined in the recitals.

**"Project Budget"** means the budget stated in Exhibit C-1, showing the total cost of the Project by line item, as furnished by Partnership to DPD, in accordance with Section 3.03 hereof.

**"Property"** has the meaning defined in the recitals.

**"Purchase Price"** has the meaning defined in Section 3.12(a) hereof.

**"Redevelopment Area"** has the meaning defined in the recitals.

**"Redevelopment Plan"** has the meaning defined in the recitals.

**"Redevelopment Project Area Special Tax Allocation Fund"** means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes are to be deposited.

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

**"Released Claims"** has the meaning defined in Section 3.12(g) hereof.

**"Requisition Form"** shall mean the document, in the form attached hereto as Exhibit J, to be delivered by the Developer to DPD pursuant to Section 4.04 hereof.

**"ROR/RAP"** has the meaning defined in the recitals.

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

**"Site Plan"** has the meaning defined in the recitals.

**“SRP”** means the State of Illinois Site Remediation Program, as codified at 415 ILCS 5/58, et seq., as amended from time to time, and the regulations promulgated thereunder, as such regulations may be amended from time to time.

**“State”** means the State of Illinois as defined in the recitals.

**“Survey”** means an urban plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 90 days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and any updates thereof to reflect improvements to the Property as required by the City or the Lenders, if any).

**“Term of the Agreement”** means the period of time commencing on the Closing Date and ending on December 31, 2021, such date being the date that is 23 years after the creation of the Redevelopment Area.

**“TIF Adoption Ordinance”** has the meaning defined in the recitals.

**“TIF Bonds”** has the meaning defined in the recitals.

**“TIF Bond Ordinance”** has the meaning defined in the recitals.

**“TIF Bond Proceeds”** has the meaning defined in the recitals.

**“TIF Ordinances”** has the meaning defined in the recitals.

**“TIF-Funded Improvements”** means those improvements of the Project which: (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, and (iv) are stated in Exhibit D.

**“Title Company”** means Greater Illinois Title Company, an Illinois corporation.

**“Title Policy”** means a title insurance policy in the most recently revised ALTA or equivalent form, showing Partnership as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Project related to Lender Financing, if any, issued by the Title Company.

**“TRP”** has the meaning defined in the Agreement preamble.

**“TRP/Partnership Parties”** shall have the meaning set forth in Section 3.12(g) hereof.

**“WARN Act”** means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

**“WBE(s)”** has the meaning defined in Section 10.03 hereof.

### SECTION THREE: THE PROJECT

3.01 **The Project.** Developer Parties will, pursuant to the Plans and Specifications and subject to the provisions of Section 18.18 hereof and the receipt of all necessary permits: (i) begin redevelopment construction no later than ninety days after the Closing Date, and (ii) complete redevelopment construction no later than the second anniversary of the Closing Date, subject to the provisions of Section 18.16 (Force Majeure).

3.02 **Scope Drawings and Plans and Specifications.** Partnership has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved them. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to DPD as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, and all applicable Federal, State and local laws, ordinances and regulations. Developer Parties will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 **Project Budget.** Partnership has furnished to DPD, and DPD has approved, a Project Budget which is Exhibit C-1, showing total costs for the Project in an amount not less than \$15,459,182. Partnership hereby certifies to the City that: (a) in addition to City Funds, the Lender Financing and/or Equity described in Exhibit K shall be sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Partnership will promptly deliver to DPD copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 **Change Orders.** All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by the Partnership to DPD. The Partnership shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Partnership of DPD's written approval, which shall not be unreasonably withheld, conditioned or delayed. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Partnership.

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

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

3.07 **Progress Reports and Survey Updates.** After the Closing Date, on or before the 15th day of each reporting month, Partnership will provide DPD with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring DPD's written approval under Section 3.04). Partnership must also deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Partnership's MBE/WBE Commitment). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Partnership acceptable to DPD to address and cure such shortfall. At Project completion, upon the request of DPD, Partnership will provide 3 copies of an updated Survey to DPD reflecting improvements made to the Property.

3.08 **Inspecting Agent or Architect.** The independent agent or architect (other than Partnership's architect) selected by the non-governmental Lender will also act as the inspecting agent or architect for DPD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Developer's account and will be promptly paid by TRP. The inspecting agent or architect will perform periodic inspections with respect to the Project, providing written certifications with respect thereto to DPD, prior to requests for disbursements for costs related to the Project.

3.09 **Barricades.** Partnership has installed (or shall install) a construction barricade of a type and appearance satisfactory to the City and which barricade was constructed in compliance with all applicable Federal, State or City laws, ordinances, rules and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content, and design of all barricades (other than the name and logo of the Project) installed after the date of this Agreement.

3.10 **Signs and Public Relations.** Partnership will erect in a conspicuous location on the Property during the Project a sign of commercially reasonable size and style, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and any other pertinent, non-confidential information regarding Developer Parties and the Project in the City's promotional literature and communications.

3.11 **Accessibility for Disabled Persons.** Partnership acknowledges that it is in the public interest to design, construct and maintain the Project in a manner that promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and related improvements have been reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.12 **Conveyance of Property.**

The following provisions shall govern the City's conveyance of the Property to TRP:

(a) **Purchase Price.** The City hereby agrees to sell, and TRP hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for One Dollar (\$1.00) (the "**Purchase Price**"), which is to be paid to the City on or before the Closing Date in cash or by certified or cashier's check. The Developer shall pay all escrow fees and other title insurance fees, premiums and closing costs. The Developer acknowledges and agrees that (i) the appraised fair market value of the Property is approximately \$0 (i.e., the estimated cost to remediate the Property (\$812,000) exceeds the appraised fair market value of

the land (\$500,000)), and (ii) the City has only agreed to sell the Property to TRP for the Purchase Price because TRP and the Partnership have agreed to execute this Agreement and comply with its terms and conditions.

(b) Form of Deed. The City shall convey the Property to TRP by one or more quitclaim deeds (each such deed, the "**Deed**"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the Deed, the following:

- (i) the Redevelopment Plan, until such plan expires;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) such other title defects as may exist; and
- (vi) any and all exceptions caused by the acts of the Developer, its Affiliates and their agents.

(c) Title and Survey. TRP and the Partnership each acknowledges that it has received a commitment for an owner's policy of title insurance for the Property, Commitment No. 40012093, with an effective date of July 22, 2014, issued by the Title Company (the "**City Title Commitment**"), showing the City in title to the Property. TRP shall be solely responsible for and shall pay all costs associated with updating the City Title Commitment (including all search, continuation and later date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the Property or liens for such unpaid property taxes, the City shall, as applicable, request that the County void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or file a tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the Property remains subject to any tax liens, or if the Property is encumbered with any other exceptions that would adversely affect the use and insurability of the Property for the development of the Project, TRP shall have the option to do one of the following: (i) accept title to the Property subject to the exceptions; or (ii) terminate this Agreement. If TRP elects not to terminate this Agreement as aforesaid, TRP agrees to accept title subject to all exceptions.

(d) The Land Closings. The conveyances of the Property (from the City to TRP, and from TRP to the Partnership) shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless TRP and the Partnership have satisfied all conditions precedent set forth in this Agreement, unless DPD, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company: the Deed; all necessary state, county and municipal real estate transfer tax declarations; and an ALTA statement. The City will not provide a gap undertaking. TRP shall immediately re-convey the Property to the Partnership.

(e) Recording Costs. TRP shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to the Developer.

(f) "AS IS" SALE. THE CITY MAKES NO COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. TRP AND THE PARTNERSHIP EACH ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. TRP AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. TRP AND THE PARTNERSHIP EACH ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE PARTNERSHIP AGREES THAT IT IS ITS SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM AT ITS EXPENSE ANY ENVIRONMENTAL REMEDIATION WORK (AS DEFINED BELOW) AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

"Environmental Remediation Work" shall mean all investigation, sampling, monitoring, testing, reporting, removal (including, excavation, transportation and disposal), response, storage, remediation, treatment and other activities necessary for the performance of the Project, all in accordance with all requirements of IEPA, and all applicable Laws, including, without limitation, all applicable Environmental Laws.

(g) Release and Indemnification. TRP and the Partnership each, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, the "**TRP/Partnership Parties**"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which TRP, the Partnership or any of the TRP/Partnership Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other Property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under CERCLA; and (iv) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "**Released Claims**"); provided, however, the foregoing release shall not apply to the extent such Losses are proximately caused by the gross negligence or willful misconduct of the City following the Closing Date. Furthermore, TRP shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the City and

its officers, agents and employees harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the TRP/Partnership Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims, except as provided in the immediately preceding sentence for the City's gross negligence or willful misconduct following the Closing Date.

(h) Release Runs with the Property. The covenant of release in Section 3.12(g) above shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through TRP or the Partnership following the date of the Deed. TRP and the Partnership each acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to TRP. It is expressly agreed and understood by and among TRP, the Partnership and the City that, should any future obligation of TRP, the Partnership or any of the TRP/Partnership Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, TRP, the Partnership and any of the TRP/Partnership Parties shall not assert that those obligations must be satisfied in whole or in part by the City, because Section 3.12(g) contains a full, complete and final release of all such claims, except as provided in such section for the City's gross negligence or willful misconduct following the Closing Date.

(i) Survival. This Section 3.12 shall survive the Closing Date or any termination of this Agreement (regardless of the reason for such termination).

#### SECTION FOUR: FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$15,459,182 to be applied in the manner stated in the Project Budget and funded from the sources identified in Exhibit K.

4.02 Developer Parties Funds. Equity and Lender Financing will be used to pay the majority of Project costs, including but not limited to costs of TIF-Funded Improvements.

#### 4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer Parties for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit D sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Section 4.03(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide up to \$4,372,080 of City funds (the "**City Funds**") from Available Incremental Taxes to pay for or reimburse the Developer Parties for the costs of the TIF-Funded Improvements; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Four Million Three Hundred Seventy-Two Thousand Eighty Dollars (\$4,372,080); and provided further, that the \$4,372,080 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only to the extent that the

amount of the Available Incremental Taxes deposited into the Redevelopment Project Area Special Tax Allocation Fund shall be sufficient to pay for such costs.

The Developer Parties acknowledge and agree that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer Parties pursuant to Section 4.01 hereof shall increase proportionately until such City Funds are available.

(c) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, Section 4.08 and Section 5 hereof, the City shall disburse the City Funds in two payments to TRP as follows: (i) \$2,186,040 upon the completion of 50% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and (ii) \$2,186,040 upon the issuance of the Certificate.

**4.04 Construction Escrow.** The City and the Developer Parties hereby agree to enter into the Escrow Agreement. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control.

**4.05 Sale or Transfer of the Property or Project by Developer Parties.**

(a) Prior to the Date of Issuance of the Certificate. Subject to Section 16.01 hereof, Partnership must obtain the prior approval of the City for any sale or transfer to an entity that is not a Developer Party of any part of the Property or the Project prior to the issuance of the Certificate. Such approval by the City will be subject to the reasonable discretion requirement stated in Section 18.19. For purposes of this Section 4.05, the phrase: "sale or transfer of any part of the Property or Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Partnership's assets or equity but does not include the lease of residential units in accordance with Section 8.19 hereof.

**4.06 Treatment of Prior Expenditures.** Only those expenditures made by Developer Parties with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "**Prior Expenditure(s)**"). DPD has the right, in its sole discretion, to disallow any such expenditure (not listed on Exhibit F) as a Prior Expenditure as of the date hereof. Exhibit F states the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements will not be reimbursed to Developer Parties, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer Parties under Section 4.01.

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

**4.08 Preconditions of Disbursement.** Prior to each disbursement of City Funds hereunder, the Partnership shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Partnership to



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

(a) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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

(c) the Developer Parties have approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("**In Balance**") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. The Developer Parties hereby agree that, if the Project is not In Balance, the Developer Parties shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

**4.09 City Fee.** Annually, the City may allocate an amount not to exceed five percent (5%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

**4.10 Conditional Grant.** The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement. The City Funds are subject to being suspended, terminated and/or reimbursed as provided in Sections 7.03 and 15.02 hereof.

4.11 **TIF Bonds.** The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The costs of issuance of the TIF Bonds would be borne solely by the City. The Developer Parties will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

## SECTION FIVE: CONDITIONS PRECEDENT

The following conditions precedent to closing must be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.01 **Project Budget.** Developer Parties will have submitted to DPD, and DPD will have approved, a Project Budget in accordance with the provisions of Section 3.03.

5.02 **Scope Drawings and Plans and Specifications.** Developer Parties will have submitted to DPD, and DPD will have approved, the Scope Drawings and Plans and Specifications as provided in Section 3.02.

5.03 **Other Governmental Approvals.** Developer Parties will have secured or applied for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to DPD.

### 5.04 **Financing.**

(a) Developer Parties will have furnished evidence acceptable to the City that Developer Parties have Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 and Exhibit K, which are sufficient to complete the Project and satisfy their obligations under this Agreement. If a portion of such financing consists of Lender Financing, Developer Parties will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer Parties as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01 and Exhibit K) to complete the Project.

(b) Prior to the Closing Date, Partnership will deliver to DPD a copy of the Escrow Agreement. The Escrow Agreement must provide that DPD will receive copies of all construction draw request materials submitted by Partnership after the date of this Agreement.

(c) Any financing liens against the Property and Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in Section 7.02(b) of this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Partnership, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the Developer Parties may collaterally assign their respective interests in this Agreement to any of their Lender if such Lender requires such collateral assignment.

5.05 **Acquisition and Title.** On the Closing Date, Developer Parties will furnish the City with a copy of the Title Policy for the Property, showing Partnership as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit G and will evidence the recording of this Agreement under

the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (i.e., Zoning 3.1 plans and specifications) with parking, contiguity, location, access, and survey.

5.06 **Evidence of Clear Title.** Not less than 5 Business Days prior to the Closing Date, Developer Parties, at their own expense, will have provided the City with current searches under the names of each of the entities comprising Developer Parties and for CQAC as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
U.S. District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

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

5.07 **Surveys.** Developer Parties will have furnished the City with 3 copies of the Survey.

5.08 **Insurance.** Partnership, at its own expense, will have insured the Property and the Project as required under Section 12. Prior to the Closing Date, certificates required under Section 12 evidencing the required coverages will have been delivered to DPD.

5.09 **Opinions of Developer Parties' Counsel.** On the Closing Date, Developer Parties will furnish the City with an opinion of counsel, substantially in the form of Exhibit H, with such changes as may be required by or acceptable to Corporation Counsel. If any Developer Party has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in Exhibit H, such opinions shall be obtained by such Developer Party from its general corporate counsel.

5.10 **Evidence of Prior Expenditures.** Developer Parties will have provided evidence satisfactory to DPD of the Prior Expenditures as provided in Section 4.06 hereof.

5.11 **Financial Statements.** Developer Parties will have provided Financial Statements to DPD for their fiscal year 2013, and their most recently available unaudited interim Financial Statements.

5.12 **Additional Documentation.** Partnership will have provided documentation to DPD, satisfactory in form and substance to DPD concerning Partnership's employment profile operating leases and other tenant leases executed by Partnership for leaseholds in the Project, if any.

5.13 **Environmental Audit.** Partnership will have provided DPD with copies of all phase I environmental audits completed with respect to the Property, if any, and a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. If environmental issues exist on the Property, the City will require written verification from the Illinois Environmental Protection Agency that all identified environmental issues have

been or will be resolved to its satisfaction.

5.14 **Entity Documents.** Each of TRP and CQAC shall provide a copy of its current Articles of Incorporation, with all amendments, containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state or incorporation and all other states in which TRP or CQAC is qualified to do business; its current bylaws; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such organizational documentation as the City may request. Partnership shall provide comparable organizational documentation.

The Developer has provided to the City, an EDS in the City's then current form, dated as of the Closing Date, which is incorporated by reference, and the Developer further will provide any other affidavits or certifications as may be required by Law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City pursuant to the requirements of Section 2-154-020 of the Municipal Code, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, and failure to promptly provide such updated EDS(s) to the City will constitute an Event of Default under this Agreement.

5.15 **Litigation.** Developer Parties will provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving Developer Parties or any Affiliate of Developer Parties (excluding any limited partners of the Partnership) specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith, and whether (and to what extent) such potential liability is covered by insurance.

## **SECTION SIX: AGREEMENTS WITH CONTRACTORS**

### **6.01 Bid Requirement for General Contractor and Subcontractors.**

(a) DPD acknowledges that Partnership has selected DENCO (DEN Construction Management, LLC), an Illinois limited liability company as the General Contractor for the Project. Partnership will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago.

(b) Partnership must submit copies of the Construction Contract to DPD as required under Section 6.02 below. Upon the written request of the City, Partnership will provide photocopies of all subcontracts entered or to be entered into in connection with the Project within five (5) Business Days of the execution thereof. The Partnership must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project until the Plans and Specifications have been approved by the City and all requisite permits have been obtained.

6.02 **Construction Contract.** Prior to the execution thereof, Partnership must deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project, for DPD's prior written approval. Following execution of such contract by Developer Parties, the General Contractor and any other parties thereto, Partnership must deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 **Performance and Payment Bonds.** Prior to commencement of construction of any portion of the Project, Developer Parties will require that the General Contractor and any applicable subcontractor(s) be bonded for their respective payment and performance by sureties having an AA rating or better using the bond form attached as Exhibit I. The City will be named as obligee or co-obligee on such bond.

6.04 **Employment Opportunity.** Developer Parties will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of this Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

6.05 **Other Provisions.** In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (MBE/WBE Commitment), Section 12 (Insurance) and Section 14.01 (Books and Records).

## **SECTION SEVEN: COMPLETION OF CONSTRUCTION**

### **7.01 Certificate of Completion of Construction.**

(a) Upon completion of the construction of the Project in compliance with the terms and conditions of this Agreement, and upon Partnership's written request, DPD will issue to Developer Parties a recordable certificate of completion of construction in substantially the form attached hereto as Exhibit M (the "**Certificate**") certifying that Developer Parties have fulfilled their obligations to complete the Project in compliance with the terms and conditions of this Agreement. DPD will respond to Partnership's written request for a Certificate within 30 days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer Parties in order to obtain the Certificate. Partnership may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within 30 days in the same way as the procedure for the initial request. Such process may repeat until the City issues a Certificate.

(b) Each Developer Party acknowledges and understands that the City will not issue a Certificate if there exists an Event of Default which is continuing or there exists a condition or event, which, with the giving of notice or the passage of time or both, would constitute an Event of Default. Each Developer Party further acknowledges and understands that the City will not issue the Certificate until (i) the City's Monitoring and Compliance unit has determined in writing that Partnership is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement, (ii) the Project, including all 45 residential units, the parking spaces and all related improvements, has been completed, (iii) Developer Parties have received a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer Parties have complied with building permit requirements and (iv) the Facility is in the process of being leased to tenants pursuant to Section 8.19 hereof.

### **7.02 Effect of Issuance of Certificate; Continuing Obligations.**

(a) The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer Parties' obligation to complete such activities have been satisfied. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate must not be construed as a waiver by the City of any of its rights and remedies under such executory terms.

(b) Those covenants specifically described at Sections 8.01(m), 8.01(n), 8.02 (Covenant to Redevelop), 8.18 (Real Estate Provisions), 8.19 (Affordability Requirements) 8.24 (Annual Compliance Report), as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement. The other executory terms of this Agreement that remain after the issuance of the Certificate will be binding only upon each Developer Party or a permitted assignee of such Developer Party who, as provided in Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of such Developer Party's rights under this Agreement and assume such Developer Party's liabilities hereunder.

**7.03 Failure to Complete.** If Developer Parties fail to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies:

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

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

(c) the right to seek reimbursement of the City Funds from the Developer Parties, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any TIF Bonds.

**7.04 Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, DPD will provide Developer Parties, at their written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

## **SECTION EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER PARTIES**

**8.01 General.** Each of Partnership, TRP and CQAC represent, warrant, and covenant, as of the date of this Agreement as follows. Representations, warranties and covenants denoted (Partnership only) or (TRP only) or (CQAC only) shall be deemed to have been made only by Partnership or TRP or CQAC, as applicable; otherwise, they shall be deemed to apply to all.

(a) TRP is an Illinois corporation, duly organized, validly existing and in good standing (TRP only);

(b) CQAC is an Illinois not-for-profit corporation, duly organized, validly existing and in good standing (CQAC only);

(c) TRP is the sole member of CQAC, which is the general partner of Partnership.

(d) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate TRP's Articles of Incorporation as amended and supplemented, its bylaws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which TRP is now a party or by which TRP or any of its assets is now or may become bound (TRP only); TRP has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project (TRP only);

(e) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate CQAC's Articles of Incorporation as amended and supplemented, its bylaws, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which CQAC is now a party or by which CQAC or any of its assets is now or may become bound (CQAC only); CQAC has the right, power and authority to enter into, execute, deliver and perform this Agreement (CQAC only);

(f) Partnership (i) is an Illinois limited partnership duly organized and validly existing in the State of Illinois, (ii) has the right, power and authority to enter into, execute, deliver and perform this Agreement, and (iii) has been duly authorized by all necessary limited partnership action to execute, deliver and perform its obligations under this Agreement, which execution, delivery and performance does not and will not violate its certificate of limited partnership or partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Partnership is now a party or by which it may become bound (Partnership only);

(g) Partnership has acquired and will maintain good and merchantable leasehold title, or fee simple title, as the case may be, to the Property (and improvements) free and clear of all liens except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget (Partnership only);

(h) Partnership is now, and until the earlier to occur of the expiration of the Term of the Agreement and the date, if any, on which Partnership has no further economic interest in the Project, will remain solvent and able to pay its debts as they mature (Partnership only);

(i) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending or, to Partnership's actual knowledge threatened or affecting Partnership which would impair its ability to perform under this Agreement (Partnership only);

(j) Partnership has or will acquire as necessary and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project (Partnership only);

(k) Partnership is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money

to which Partnership is a party or by which Partnership or any of its assets is bound which would materially adversely affect its ability to comply with its obligations under this Agreement (Partnership only);

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

(m) prior to the issuance of the Certificate, if it would materially adversely affect Partnership's ability to perform its obligations under this Agreement, Partnership will not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or in accordance with Section 4.05; (3) enter into any transaction outside the ordinary course of Partnership's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing or tax credit equity investment for the Project); or (5) enter into any transaction that would cause a material and detrimental change to Partnership's financial condition; provided, however, this section shall not apply to any leases entered into in the ordinary course of business of renting to tenants, it being acknowledged that Partnership shall have the right to enter into leases in the ordinary course of business for all or any portion of the Property for lease to tenants in accordance with Section 8.19 hereof on such terms as are determined by Partnership (Partnership only);

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

(o) None of the Developer Parties has made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or under City ordinance, for services to any City agency ("**City Contract**") as an inducement for the City to enter into the Agreement or any City Contract with such Developer Party in violation of Chapter 2-156-120 of the Municipal Code of the City, as amended;

(p) None of the Developer Parties or any affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subsection only, "affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise;



(q) The Developer Parties represent, acknowledge and agree that (1) payments of City Funds are subject to the amount of Available Incremental Taxes on deposit in the Redevelopment Project Area Special Tax Allocation Fund being sufficient for such payments. If the Available Incremental Taxes turn out to be insufficient to make such payments, such insufficiency shall not give the Developer or any other party any claim or right to any other Incremental Taxes or other funds of the City; (2) the City Funds are limited obligations of the City, payable Available Incremental Taxes on deposit in the Redevelopment Project Area Special Tax Allocation Fund; (3) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (4) Developer Parties have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (5) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; (6) the Developer Parties have sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds; (7) there is no assurance as to the amount or timing of receipt of City Funds, and that the amount of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b) hereof; (8) the Developer Parties may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part without the prior written consent of the City, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any, sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and (9) the City has no continuing obligation to provide it with any information concerning the City Funds or otherwise, except as set forth in this Agreement; and

(r) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) May 16, 2011, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) Bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which is then delivered by one person to the Mayor or to his political fundraising committee.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.
  - 2. The partners have common or joint ownership of a residence.
  - 3. The partners have at least two of the following arrangements:
    - a. joint ownership of a motor vehicle;
    - b. a joint credit account;
    - c. a joint checking account;
    - d. a lease for a residence identifying both domestic partners as tenants.
  - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code, as amended.

8.02 **Covenant to Redevelop.** Upon DPD's approval of the Scope Drawings and Plans and Specifications as provided in Section 3.02, and DPD's approval of the Project Budget as provided in Section 3.03, and Partnership's receipt of all required building permits and

governmental approvals, Developer Parties will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the CHA Documents, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Partnership.

The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee of the Property, or a portion thereof, unless this covenant is terminated in whole or in part by the City, acting through DPD, pursuant to a written instrument executed pursuant to Section 7.02 and recorded against the Property, or any portion thereof.

**8.03 Redevelopment Plan.** Developer Parties represent that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

**8.04 Use of City Funds.** City Funds disbursed to Developer Parties will be used by Developer Parties solely to pay for or reimburse Developer Parties for their payment for the TIF-Funded Improvements as provided in this Agreement.

**8.05 Other Bonds.** At the request of the City, Developer Parties will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion) TIF Bonds or other bonds ("**Bonds**") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the TIF-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer Parties or the Project. Developer Parties will cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition, and assisting the City in its preparation of an offering statement with respect thereto. None of the Developer Parties will have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by Developer Parties that is determined to be false and misleading.

**8.06 Employment Opportunity.**

(a) Developer Parties covenant and agree to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 and Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default or a termination of the Agreement or require payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis. Partnership will submit to DPD a plan describing their compliance program prior to the Closing Date. It is anticipated that 40 temporary FTE construction jobs and 2 permanent FTE jobs will be created as a result of construction and completion of the Project.

(b) Partnership will deliver to the City written progress reports by draw, but not less than quarterly, detailing compliance with the requirements of Sections 8.08, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, Partnership will also deliver a plan to DPD which will outline, to DPD's satisfaction, the manner in which Developer Parties will correct any shortfall.

8.07 **Employment Profile.** Partnership will submit, and Developer Parties contractually shall obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to DPD, from time to time, statements of its employment profile upon DPD's request.

8.08 **Prevailing Wage.** Developer Parties covenant and agree to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay, the prevailing wage rate as ascertained by the federal government pursuant to the Davis-Bacon Act, to all their respective employees working on constructing the Project or otherwise completing the TIF-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If federal prevailing wage rates are revised, the revised rates will apply to all such contracts. Upon the City's request, Partnership will provide the City with copies of all such contracts entered into by any Developer Party or the General Contractor to evidence compliance with this Section 8.08.

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

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

8.11 **Disclosure of Interest.** None of the Developer Parties' counsel has direct or indirect financial ownership interest in a Developer Party, the Property, or any other feature of the Project.

8.12 **Financial Statements.** Partnership will obtain and provide to DPD Financial Statements for Partnership's fiscal year ended 2014 and each yearly thereafter for the Term of the Agreement. In addition, if requested by DPD, Partnership will submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 **Insurance.** Solely at their own expense, Developer Parties will comply with all provisions of Section 12 hereof.

8.14 **Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, and subject to subsection (b) below, Developer Parties agree to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Project, or any fixtures that are

or may become attached thereto and which are owned by a Developer Party, which create, may create, or appear to create a lien upon all or any portion of the Project; provided however, that if such Non-Governmental Charges may be paid in installments, Developer Parties may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer Parties will furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other evidence satisfactory to DPD, evidencing payment of the Non-Governmental Charges in question.

(b) Right to Contest. Developer Parties will have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer Parties' covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.14); or

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

8.15 Developer's Liabilities. No Developer Party will enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Each Developer Party will immediately notify DPD of any and all events or actions which may materially affect such party's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project.

8.16 Compliance with Laws. To the best of each Developer Party's knowledge, after diligent inquiry, the Property and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property and the Project. Upon the City's request, Developer Parties will provide evidence satisfactory to the City of such current compliance.

8.17 Recording and Filing. Partnership will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Partnership will pay all fees and charges incurred in connection with any such recording. Upon recording, Partnership will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Subject to subsection (ii) below, Developer Parties agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer Parties, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer Parties or all or any portion of the Property or the Project. "**Governmental Charge**" means all Federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer Parties, the Property, or the Project, including but not limited to real estate taxes.

(ii) Right to Contest. Developer Parties have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or transfer or forfeiture of the Property. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer Parties' covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Partnership has given prior written notice to DPD of a Developer Party's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

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

(y) Developer Parties will furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD may require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or transfer or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(iii) Notification to the Cook County Assessor of Change in Use and Ownership. Prior to the Closing Date, the Partnership shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there has been a change in use and ownership of the Property. On the Closing Date, TRP or the Partnership shall pay to the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, the Partnership shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

(b) Developer Parties' Failure To Pay Or Discharge Lien. If Developer Parties fail to pay or contest any Governmental Charge or to obtain discharge of the same as required by this Section 8.18, Partnership will advise DPD thereof in writing, at which time DPD may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer Parties

under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, will be promptly disbursed to DPD by Developer Parties. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer Parties fail to pay any Governmental Charge, the City, in its sole discretion, may require Developer Parties to submit to the City audited Financial Statements at Developer Parties' own expense.

**8.19 Affordability Requirements.**

(a) Affordable Units. Of the 45 units comprising the Project, 15 units (or 34% of the Project's units) shall be CHA Units affordable to households with incomes not greater than 60% AMI; and 30 units (or 66% of the Project's units) shall be affordable to households with AMI not greater than 60%.

(b) CHA Units. The Developer Parties agree and covenant to the City that notwithstanding anything herein to the contrary contained, the CHA Units in the Project shall be operated and maintained in compliance with All Applicable Public Housing Requirements.

(c) The covenants set forth in this Section 8.19 shall run with the land and be binding upon any transferee.

(d) The City and the Partnership may enter into a separate agreement to implement the provisions of this Section 8.19, as necessary.

**8.20 Job Readiness Program.** If requested by the City, Partnership will use its best efforts to encourage its tenants at the Project to participate in job readiness programs established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

**8.21 Broker's Fees.** Partnership has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

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

**8.23 Environmental Features.** The design of the Project incorporates the following environmentally-friendly elements for which Partnership shall be responsible: permeable pavers

covering 100% of the outdoor parking spaces; high efficiency heating and hot water; high insulation values in the windows and walls using environmentally-friendly insulation; insulated domestic hot water tanks; and a gearless elevator.

8.24 **Annual Compliance Report.** Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Partnership shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.25. **FOIA and Local Records Act Compliance.**

(a) **FOIA.** Developer Parties acknowledge that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("**FOIA**"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer Parties receive a request from the City to produce records within the scope of FOIA, then the Developer Parties covenant to comply with such request within 48 hours of the date of such request. Failure by the Developer Parties to timely comply with such request shall be an Event of Default.

(b) **Exempt Information.** Documents that the Developer Parties submit to the City under Section 8.21 (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer Parties to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer Parties mark any such documents as "proprietary, privileged or confidential." If the Developer Parties mark a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) **Local Records Act.** Developer Parties acknowledge that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "**Local Records Act**"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer Parties covenant to use best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.26 **Survival of Covenants.** All warranties, representations, covenants and agreements of Partnership contained in this Section 8 and elsewhere in this Agreement are true, accurate and complete at the time of Partnership's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Section 7 upon the issuance of the Certificate) will be in effect throughout the Term of the Agreement.

## **SECTION NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY**

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

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



Agreement.

## SECTION TEN: DEVELOPER PARTIES' EMPLOYMENT OBLIGATIONS

10.01 **Employment Opportunity.** Developer Parties, on behalf of itself and its successors and assigns, hereby agree, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of such Developer Party operating on the Project (collectively, such parties are defined herein as the “**Employers,**” and individually defined herein as an “**Employer**”) to agree, that for the Term of this Agreement with respect to Partnership and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

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

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

(c) Each Employer will comply with all applicable Federal, State and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the State Human Rights Act, 775 ILCS 5/1-101 et seq. (2002 State Bar Edition, as amended), and any subsequent amendments and regulations promulgated thereto.

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

(e) Each Employer will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project (other than for remediation and demolition entered into prior to the date of this Agreement), and will require inclusion of these provisions in every subcontract entered into by any subcontractors and every

agreement with any Affiliate operating on the Property, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

#### **10.02 City Resident Construction Worker Employment Requirement.**

(a) Developer Parties agree for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer Parties, the General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer Parties, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

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

(c) **“Actual residents of the City”** means persons domiciled within the City. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

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

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

(f) Upon 2 Business Days prior written notice, Developer Parties, the General Contractor and each subcontractor will provide full access to their employment records related to the Construction of the Project to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer Parties, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the Construction of the Project for a period of at least 3 years after final acceptance of the work constituting the Project.

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

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

(i) When work at the Project is completed, in the event that the City has determined that Developer Parties have failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual residents of the City or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project Budget undertaken by Developer Parties (and specifically excluding any tenant improvements which are not undertaken by Developer Parties) (the product of .0005 x such aggregate hard construction costs) (as the same will be evidenced by approved contract value for the actual contracts) will be surrendered by Partnership to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer Parties, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer Parties pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer Parties must surrender damages as provided in this paragraph.

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

(k) Developer Parties will cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project (other than contracts for remediation and demolition entered into prior to the date of this Agreement).

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "**Procurement Program**"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "**Construction Program**," and collectively with the Procurement Program, the "**MBE/WBE Program**"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the aggregate hard construction costs (as set forth in the Project Budget) shall be expended for contract participation by minority-owned businesses ("**MBEs**") and by women-owned businesses ("**WBEs**"):

(1) At least 24 percent by MBEs.

(2) At least four percent by WBEs.

(b) For purposes of this Section 10.03 only:

(i) Developer Parties (and any party to whom a contract is let by Developer Parties in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Partnership in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer Parties' MBE/WBE commitment may be achieved in part by Developer Parties' status as an MBE or WBE (but only to the extent of any actual work performed on the Project by such Developer Party) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer Parties utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer Parties' MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, Developer Parties shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if

such status was misrepresented by the disqualified party, Partnership shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of Developer Parties' MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, Partnership shall be required to meet with the City's monitoring staff with regard to Developer Parties' compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Partnership shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Partnership shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Partnership is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Partnership, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Partnership to halt the Project, (2) withhold any further payment of any City Funds to Developer Parties or the General Contractor, or (3) seek any other remedies against Partnership available at law or in equity.

## **SECTION ELEVEN: ENVIRONMENTAL MATTERS**

11.01 **Environmental Matters.** Partnership hereby represents and warrants to the City that Partnership has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws (taking into account the anticipated issuance and applicability of any NFRLs issued with respect to the Property), this Agreement and all Exhibits, the Scope Drawings, the Plans and Specifications and all amendments thereto, the TIF Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, Partnership agrees to indemnify, defend and hold the City (except with respect to Existing Materials and any gross negligence or wanton or willful misconduct by the City) harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Partnership: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from all or any portion of the Property, or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Partnership or any of its Affiliates under any Environmental Laws relating to the Property.

11.02 **Environmental Remediation.** Partnership shall, at its sole cost and expense,

undertake all Environmental Remediation Work that may be needed on the Property promptly after the Closing. Partnership shall incorporate the requirements of the ROR/RAP for the Property into its final construction plans and specifications for the Project, and shall coordinate with the City to ensure that all requirements of the SRP are satisfied. The contractors selected by Partnership, and the terms of the contract must be approved by the City, which approval shall not be unreasonably withheld, prior to the commencement of any Environmental Remediation Work on the Property. Partnership shall be solely responsible for all site preparation costs, including, but not limited to, the removal of soil, pre-existing building foundations, soil exceeding the IEPA's Tiered Approach to Cleanup Objectives most stringent site remediation objectives, and demolition debris, and the removal, disposal, storage, remediation, removal or treatment of Hazardous Materials from the Property. TRP and Partnership each acknowledges and agrees that the City will not issue a Certificate of Occupancy until the IEPA has issued, and the City has approved, a Comprehensive Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The City shall have the right to approve any changes or modifications to the ROR/RAP, which approval shall not be unreasonably withheld. If Partnership discovers any underground storage tanks, additional PCB-contaminated soil or other unexpected Pre-existing Environmental Conditions (as defined below) during the Environmental Remediation Work, Partnership shall notify the City as soon as reasonably practicable and cooperate with the City to develop a work plan to remediate such conditions. Partnership shall be responsible for the remediation of any unexpected Pre-existing Environmental Conditions.

11.03 **SRP / Comprehensive No Further Remediation Letter.** Partnership shall enroll the Property in the SRP and obtain from the IEPA a final Comprehensive No Further Remediation Letter.

## SECTION TWELVE: INSURANCE

12.01 **Insurance.** The Partnership must provide and maintain, at Partnership's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction Prior to the construction of any portion of the Project, Partnership will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

When Partnership undertakes any construction, including improvements, betterments, and/or repairs, the Partnership must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less

than \$1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Partnership must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction: All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements: The Partnership must furnish the City of Chicago, Department of Planning Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Partnership must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Partnership is not a waiver by the City of any requirements for the Partnership to obtain and maintain the specified coverages. The Partnership shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Partnership of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Partnership and Contractors.



The Partnership hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Partnership in no way limit the Partnership's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Partnership under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Partnership is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Partnership must require Contractor and subcontractors to provide the insurance required herein, or Partnership may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Partnership unless otherwise specified in this Agreement.

If Partnership, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

### **SECTION THIRTEEN: INDEMNIFICATION**

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

- (i) Such Developer Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (ii) Such Developer Party's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project feature or improvement; or
- (iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by such Developer Party or any of its Affiliates or any of their respective agents, employees, contractors or persons acting under the control or at the request of

such Developer Party or any of its Affiliates; or

- (iv) a Developer Party's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (v) any act or omission by such Developer Party or any of its Affiliates.

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

#### **SECTION FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT**

14.01 **Books and Records.** Developer Parties will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Partnership's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Partnership's offices for inspection, copying, audit and examination by an authorized representative of the City, at Partnership's expense. No Developer Party will pay for salaries or fringe benefits of auditors or examiners. Developer Parties must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by a Developer Party with respect to the Project.

14.02 **Inspection Rights.** Upon 3 Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

#### **SECTION FIFTEEN: DEFAULT AND REMEDIES**

15.01 **Events of Default.** The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, will constitute an "Event of Default" by a Developer Party, as applicable, hereunder (provided, however, the occurrence of an Event of Default by Partnership shall not be deemed to constitute an Event of Default by TRP or CQAC and the occurrence of an Event of Default by TRP or CQAC shall not be deemed to constitute an Event of Default by Partnership):

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

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

(c) the making or furnishing by a Developer Party to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this

Agreement or any related agreement which is untrue or misleading in any material respect when made;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by a Developer Party to create, any lien or other encumbrance upon the Property or the Project, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and/or liens bonded by a Developer Party or insured by the Title Company to the satisfaction of DPD, or the making or any attempt to make any levy, seizure or attachment thereof;

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

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

(g) the entry of any judgment or order against a Developer Party which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Partnership, TRP or CQAC;

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

(k) The failure of a Developer Party, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to a Developer Party, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(j) hereof, a natural person with a material interest in a Developer Party is one owning in excess of thirty-three percent (33%) of such party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest.

Notwithstanding anything to the contrary contained herein, City hereby agrees that, in addition to the cure rights set out in Section 15.04 below, any cure of any default made or

tendered by one or more of Partnership's limited partners shall be deemed to be a cure by the Partnership and/or Developer Parties and shall be accepted or rejected on the same basis as if made or tendered by Partnership and/or Developer Parties.

15.02 **Remedies.** Subject to Section 15.04, upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer Parties are or shall be parties and/or suspend disbursement of City Funds, except as otherwise provided in Section 4.03(c)(vii). The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein. Without limiting the generality of the foregoing, with respect to Events of Defaults by a Developer Party, the City shall be entitled to seek reimbursement of City Funds from Developer Parties. If an Event of Default attributable to TRP's or CQAC's acts or omissions occurs, in no event shall the City be entitled to exercise remedies against Partnership. If an Event of Default attributable to Partnership's acts or omissions occurs, in no event shall the City be entitled to exercise remedies against TRP or CQAC.

15.03 **Curative Period.**

(a) In the event a Developer Party fails to perform a monetary covenant which it is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless the applicable party has failed to perform such monetary covenant within 10 days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event a Developer Party fails to perform a non-monetary covenant which it is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless the applicable party (or the non-defaulting Developer Party) has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, the applicable party will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; ; provided, further, that there shall be no cure period with respect to the filing of the Annual Compliance Report pursuant to Section 8.24 hereof.

15.04 **Right to Cure by the Limited Partner and/or Lender.** If a default occurs under this Agreement and as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, or any other remedy under this Agreement, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Limited Partner and Lenders, and the Limited Partner (including, without limitation, by exercise of management take over rights of the Owner under its partnership agreement) and Lenders shall have the right (but not the obligation) to cure such default as follows:

(a) if a monetary default exists, the Limited Partner may cause to be cured such monetary default within 90 days after the later of (and Lenders, except as provided in Section 15.04(h) below, and the City shall take no action during such 90 day period): (i) the expiration of the cure period, if any, granted under Section 15.03 to Developer Parties with respect to such monetary default; or (ii) receipt by the Limited Partner and Lenders of notice of default from the City. If the Limited Partner does not cause such monetary default to be cured within such 90-day time period set forth in the preceding sentence, then the Lenders may cure such monetary

default in the manner set forth in Section 15.04(c); and

(b) if a non-monetary default exists (except for a Personal Developer Default, as later defined), the Limited Partner may cause to be cured such non-monetary default within 90 days after the later of (and Lenders, except as provided in Section 15.04(h) below, and the City shall take no action during such 90 day period): (i) the expiration of the cure period, if any, granted under Section 15.03 to Developer with respect to such non-monetary default; or (ii) receipt by the Limited Partner and Lenders of notice of default from the City. If the Limited Partner does not cause such non-monetary default to be cured within such 90-day time period set forth in the preceding sentence, then a Lender may cure such monetary default in the manner set forth in Section 15.04(d); and

(c) if a monetary default exists, a Lender may cure such monetary default within 60 days after the later of (and the non-electing party and the City shall take no action during such 60-day period): (i) the expiration of the Limited Partner's 90-day cure period; or (ii) receipt by a Lender of notice from the City that the Limited Partner has failed to cure the default within the timeframe set forth in Section 15.04(a) above; provided however, to the extent the cure right set forth in this Section 15.04(c) is exercised by a Lender, the exercise of such cure right shall be first by the non-governmental Lender, if any, and secondly by any governmental Lender; and

(d) if a non-monetary default exists (except for a Personal Developer Default), a Lender may cure such non-monetary default within 90 days after the later of (and the non-electing party and the City shall take no action during such 90-day period): (i) the expiration of the Limited Partner's 90-day cure period; or (ii) receipt by a Lender of notice from the City that the Limited Partner has failed to cure the default within the timeframe set forth in Section 15.04(b) above; provided, however, if such non-monetary default is of a nature that is not subject to cure in 90 days, the cure period will be extended for the time period needed to cure such default (including any time period required by a Lender to take control of the Project by initiating foreclosure of its mortgage and/or appointing a receiver) and the City shall forbear from exercising its remedies hereunder so long as diligent and continuous efforts are being pursued to cure such default; provided further, to the extent the cure right set forth in this Section 15.04(d) is exercised by a Lender, the exercise of such cure right shall be first by the non-governmental Lender(s), if any, and secondly by any governmental Lender(s); and

(e)(1) If such non-monetary default would be an Event of Default set forth in Section 15.01(e), (f), (g), (i) or (j) hereof (each such default being a "Personal Developer Default"), the Limited Partner or Lenders (as applicable and in that strict order as more fully provided in this Section 15.04(e) below and not otherwise, the "Electing Party"), may provide written notice (the "Assumption Notice") to the City and the Limited Partner or Lenders (as applicable, the "Non-Electing Parties") within 30 days of receipt of notice from the City of such Personal Developer Default, as more fully provided in Section 15.04(e)(2) below. Such Assumption Notice, if and when delivered within said 30-day period, shall set forth how the Electing Party shall, in accordance with Section 15.04(e)(2) below, either cure or cause to be cured such Personal Developer Default by the assignment pursuant to Section 18.14 hereof of all of the Developer Parties' rights, obligations and interests in this Agreement to the Electing Party or any other party agreed to in writing by Lender and the City, which assumption shall be deemed to cure the Personal Developer Default.

(2) Upon receipt by the City and Lenders (as applicable) of an Assumption Notice from the Limited Partner or a Lender, as applicable, pursuant to subsection (e)(1) above, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of the Developer Parties' rights, obligations and interests in this Agreement (but in no event longer than 120 days without the written consent of the City and the non-assuming Lenders). If the Limited Partner or a Lender, as applicable, does

not (i) provide such Assumption Notice within the 30-day period specified in subsection (e)(1), or (ii) identify to the City and the Non-Electing Parties any other party (which may be an affiliate of the Limited Partner other than any of the Developer Parties) to assume the Developer Parties' rights, obligations and interests in this Agreement within 30 days from the date of the Assumption Notice, then such Lender shall have 30 days to cure such Personal Developer Default by the assignment, in accordance with the provisions of Section 18.14 hereof, of all of the Developer Parties' rights, obligations and interests in this Agreement to such Lender, or an affiliate thereof, or any other party agreed to in writing by the Lenders and the City.

(f) If such Personal Developer Default is not cured by the Limited Partner or any Lender within the timeframes set forth in Section 15.04(e), then the City shall have available all remedies set forth in this Agreement, including those in Sections 15.02.

(g) During all such times as a Personal Developer Default exists and remains uncured after the expiration of all cure periods, no payments of City Funds shall occur until such time as such Personal Developer Default is thereafter cured.

(h) The City agrees that at any time during which an Event of Default has occurred under the Lender Financing Documents, during the period that a Lender is diligently and continuously pursuing actions or remedies under the Lender Financing, with or without the Developer Parties, which are intended to cause substantial completion of the Project, and, as part of such actions or remedies, continues to fund or make advances to pay Project costs, the City shall likewise forbear from exercising its remedies under Section 15.02.

(i) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, the continuation of any cure periods under Section 15.03 and Section 15.04, in the event Lender initiates a foreclosure proceeding, or the Limited Partner and Lender provide a joint notice of discontinuance of actions or remedies intending to achieve substantial completion, the City may immediately commence to exercise any and all of the remedies specified in Section 15.02 above.

## SECTION SIXTEEN: MORTGAGING OF THE PROJECT

16.01 **Mortgaging of the Project.** All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "**Existing Mortgages.**" Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "**New Mortgage.**" Any mortgage or deed of trust that a Developer Party may hereafter elect to record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "**Permitted Mortgage.**" It is hereby agreed by and between the City and the Developer Parties as follows:

(a) If a mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such Developer Party's interest hereunder in accordance with Section 18.14 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly

running with the land specified in Section 7.02.

(b) If any mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of a Developer Party's interest hereunder in accordance with Section 18.14 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of a "Developer Party" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of a Developer Party's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of such Developer Party which occurred prior to the time such party succeeded to the interest of such Developer Party under this Agreement, nor shall the City have the right to record a lien against or otherwise enforce any remedies hereunder against the Project, in which case such Developer Party will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of such Developer Party's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land specified in Section 7.02.

(c) Prior to the issuance by the City to Developer Parties of a Certificate under Section 7 hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of DPD. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of DPD is not required for any such New Mortgage.

#### **SECTION SEVENTEEN: NOTICES**

17.01 **Notices.** All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified U.S. Mail, return receipt requested; (C) be given at the following respective addresses:

If to the City:

City of Chicago  
Department of Planning and Development  
Attn: Commissioner  
121 North LaSalle Street, Room 1000  
Chicago, IL 60602  
312/744-2271 (Fax)

With Copy:

City of Chicago  
Corporation Counsel  
Attn: Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602  
312/744-8538 (Fax)

If to a Developer Party:

Casa Queretaro LP  
Casa Queretaro Apartments Corporation, NFP  
c/o The Resurrection Project  
1818 South Paulina Street  
Chicago, IL 60608

With copy to: Applegate & Thorne-Thomsen, P.C.  
626 W. Jackson Blvd, Suite 400  
Chicago, Illinois 60661  
Attention: Nicholas Brunick, Esq.  
Fax: 312/421-4411

With copy to: NEF Assignment Corporation  
10 S. Riverside Plaza, Ste 1700  
Chicago, Illinois 60606  
Attn: General Counsel

And to: Citibank, N.A.  
390 Greenwich Street, 2nd Floor  
New York, New York 10013  
Attention: Transaction Management Group  
Deal ID No. 22853  
Facsimile: (212) 723-8209

and

Citibank, N.A.  
325 East Hillcrest Drive, Suite 160  
Thousand Oaks, California 91360  
Attention: Operations Manager/Asset Manager  
Deal ID No. 22853  
Facsimile: (805) 557-0924

With copy to: Citibank, N.A.  
390 Greenwich Street, 2nd Floor  
New York, New York 10013  
Attention: Account Specialist  
Deal ID No. 22853  
Facsimile: (212) 723-8642

With a copy of any notices  
of default sent to: Citibank, N.A.  
388 Greenwich Street, 17th Floor  
New York, New York 10013  
Attention: General Counsel's Office  
Deal ID No. 22853  
Facsimile: (646) 291-5754

With copy to: Dentons US LLP  
One Metropolitan Square  
211 N Broadway, Suite 3000  
St Louis, MO 63102-2741  
Attn: Thomas K. Vandiver

If to CHA: Chicago Housing Authority  
60 East Van Buren  
Chicago, Illinois 60605  
Attn: Chief Executive Officer



With copy to: Chicago Housing Authority  
Office of the General Counsel  
60 East Van Buren, 12<sup>th</sup> Floor  
Chicago, Illinois 60605  
Attn: Chief Legal Officer

or at such other address or telecopier/fax number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the U.S. Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

**17.02 Developer Requests for City or DPD Approval.** Any request under this Agreement for City or DPD approval submitted by a Developer Party will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer Parties to request City or DPD approval;
- (c) if applicable, note in bold type that failure to respond to such Developer Party's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DPD;
- (d) if applicable, state the outside date for the City's or DPD's response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of such Developer Party's request.

## SECTION EIGHTEEN: ADDITIONAL PROVISIONS

**18.01 Amendments.** Except as provided in this Section 18.01, and except for changes or amendments that are otherwise expressly identified as being in the discretion of the Commissioner, this Agreement and the Schedules and Exhibits attached hereto may not be materially amended without the written consent of all parties. In addition to consents and discretion expressly identified herein, the Commissioner, in her sole discretion, may amend or otherwise revise: (a) any exhibits containing legal descriptions in order to correct a surveyor's, scrivener's or clerical error in such a legal description, or to reflect any new subdivision of property index numbers, provided that such correction does not have a material effect on any portion of the Project; and (b) Exhibit B-2 to adjust unit locations and types; (c) Exhibits C-1 and C-2 in connection with updated budgets and/or the approval of Change Orders resulting in changes in the Project Budget in accordance with Section 3.05; (d) Exhibit D to adjust allocations between line items or to add new line items permitted under the Plan; (e) Exhibit K to reflect the terms of the final project financing, so long as such financing is not materially inconsistent with that contemplated hereunder; and (f) Exhibit G to correct inadvertent omissions or permit other minor title encumbrances not in the nature of a lien. Amendments required in clauses (b), (c) and (e) shall also require the Partnership's consent. The City in its

sole discretion, may amend, modify or supplement the Redevelopment Plan. For purposes of this Agreement, Developer Parties are only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement.

18.02 **Complete Agreement, Construction, Modification.** This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter.

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

18.04 **Further Assurances.** Developer Parties and City each agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement, and to accomplish the transactions contemplated in this Agreement.

18.05 **Waivers.** No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement will not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, will constitute a waiver of any of such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 **Parties in Interest/No Third Party Beneficiaries.** The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns of the parties hereto. This Agreement will not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right. Nothing contained in this Agreement, nor any act of the City or the Developer Parties, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer Parties.

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

18.09 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 **Severability.** If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.11 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

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

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

18.14 **Assignment.** Prior to the issuance by the City to Developer Parties of the Certificate, Developer Parties may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City; provided, however, that the Developer Parties may collaterally assign their respective interests in this Agreement to any Lender identified to the City as of the Closing Date if any such Lender requires such collateral assignment. Any successor in interest to Developer Parties under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.26 (Survival of Covenants) hereof, for the Term of the Agreement. Each Developer Party hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.15 **Binding Effect.** This Agreement is binding upon Partnership, TRP, CQAC, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Partnership, TRP, CQAC, the City and their respective successors and permitted assigns (as provided herein).

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

18.17 **Exhibits and Schedules.** All of the exhibits and schedules attached hereto are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.18 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Partnership is required to provide notice under the WARN Act, Partnership will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Partnership has locations in the State. Failure by Partnership to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

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

18.20 **Construction of Words.** The use of the singular form of any word herein includes the plural, and vice versa. Masculine, feminine and neuter pronouns are fully interchangeable, where the context so requires. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, Section or other subdivision. The term "include" (in all its forms) means "include, without limitation" unless the context clearly states otherwise. The word "shall" means "has a duty to."

18.21 **Date of Performance.** If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State law, the date for such performance will be the next succeeding Business Day.

18.22 **Survival of Agreements.** Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the consummation of the transactions contemplated hereby.

18.23 **Equitable Relief.** In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

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

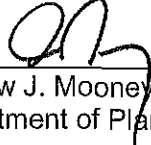
18.25 **Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Partnership agrees to pay upon demand the City's out-of-pocket expenses, including attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Partnership also

will pay any court costs, in addition to all other sums provided by law.

[The remainder of this page is intentionally left blank and the signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have caused this Casa Queretaro Rental Project Redevelopment Agreement to be signed on or as of the day and year first above written.

**CITY OF CHICAGO**

By:  \_\_\_\_\_  
Andrew J. Mooney, Commissioner,  
Department of Planning and Development

**CASA QUERETARO LP**, an Illinois limited partnership

By: Casa Queretaro Apartments Corporation, NFP,  
an Illinois not-for-profit corporation,  
its General Partner

By: \_\_\_\_\_  
Name: Guacolda Reyes  
Its: Vice President

**THE RESURRECTION PROJECT**, an Illinois not-for-profit corporation

By: \_\_\_\_\_  
Name: Guacolda Reyes  
Its: Vice President of Community Development

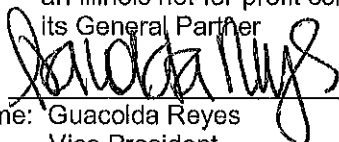
**IN WITNESS WHEREOF**, the parties hereto have caused this Casa Queretaro Rental Project Redevelopment Agreement to be signed on or as of the day and year first above written.

**CITY OF CHICAGO**

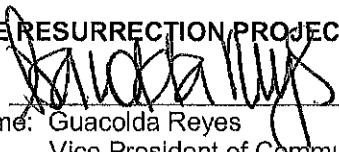
By: \_\_\_\_\_  
Andrew J. Mooney, Commissioner,  
Department of Planning and Development

**CASA QUERETARO LP**, an Illinois limited partnership

By: Casa Queretaro Apartments Corporation, NFP,  
an Illinois not-for-profit corporation,  
its General Partner

By:  \_\_\_\_\_  
Name: Guacolda Reyes  
Its: Vice President

**THE RESURRECTION PROJECT**, an Illinois not-for-profit corporation

By:  \_\_\_\_\_  
Name: Guacolda Reyes  
Its: Vice President of Community Development





STATE OF ILLINOIS    )  
                                  ) ss  
COUNTY OF COOK    )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Guacolda Reyes, personally known to me to be the Vice President of Casa Queretaro Apartments Corporation, NFP, an Illinois not-for-profit corporation ("General Partner"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, she signed and delivered the said instrument, pursuant to authority given by the Board, as the free and voluntary act of such person, and as the free and voluntary act and deed of the General Partner, for the uses and purposes therein set forth.

Given under my hand and official seal this 16<sup>th</sup> day of December, 2014.

Bridget A. White  
Notary Public

(SEAL)

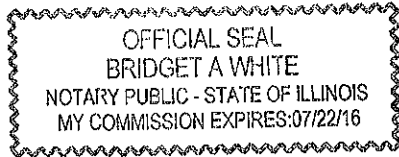


EXHIBIT A  
REDEVELOPMENT AREA  
See Attached.

*Exhibit "A".**Legal Description.*

A tract of land comprised of parts of the northeast, northwest, southwest and southeast quarters of Section 13 and the northeast and southeast quarters of Section 24, both in Township 39 North, Range 13 East of the Third Principal Meridian, together with parts of the northwest, southwest and southeast quarters of Section 18, parts of the northeast, northwest, southeast and southwest quarters of Section 19, part of the southwest quarter of Section 17 and parts of the northwest and southwest quarters of Section 20, all in Township 39 North, Range 14 East of the Third Principal Meridian, which tract of land is more particularly described as follows:

beginning at the intersection of the eastward extension of the present north line of West Roosevelt Road, as located in Block 18 of the Assessor's Division of the east half of the southeast quarter of Section 18 aforesaid with the northward extension of the present east line of said South Ashland Avenue in Section 20 aforesaid; thence south along said northward extension, passing into said Section 20, and along said east line and said east line extended south, crossing the 16 foot wide east/west alley in the north part of Block 4 in Sampson and Greene's Subdivision of certain blocks in Sampson and Greene's Addition to Chicago, West Washburne Avenue, the 16 foot wide east/west alley in the south part of said Block 4, West 13<sup>th</sup> Street, the 16 foot wide east/west alley south of and adjoining Lot 5 in the subdivision of Lots 19 to 24 in Block 5 of Sampson and Greene's Addition, West Hastings Street, West 14<sup>th</sup> Street, West 14<sup>th</sup> Place, West 15<sup>th</sup> Street, the vacated 16 foot wide east/west alley in the north part of Block 13 in said Sampson and Greene's Subdivision, vacated West 15<sup>th</sup> Place, the vacated 16 foot wide east/west alley in the south part of said Block 13, and West 16<sup>th</sup> Street, to an intersection with the eastward extension of the south line of said West 16<sup>th</sup> Street as located in Section 19 aforesaid; thence west along said eastward extension, passing into said Section 19; and along said south line and said south line extended west, crossing South Ashland Avenue, South Marshfield Avenue, South Paulina Street, the 10 foot wide north/south private alleys in Kaspar's Subdivision of Lots 1 to 25, inclusive, in Block 34 in the subdivision of said Section 19, to the east line of South Wood Street; thence south along said east line, and along said east line extended south, to an intersection with the eastward extension of the south line of the 16 foot wide east/west alley in the Newberry Estate Subdivision of Block 35 in the subdivision of Section 19 aforesaid; thence west along said eastward extension, and along said south line and said south line extended west,

crossing South Wood Street and South Wolcott Avenue, to the east line of a 16 foot wide north/south alley in the Newberry Estate Subdivision of Block 36 in the subdivision of Section 19; thence south along said east line, and said east line extended south, to the south line of West 17<sup>th</sup> Street; thence west along said south line to the east line of South Damen Avenue; thence west, crossing said avenue, to the intersection of the west line of said South Damen Avenue with the south line of West 17<sup>th</sup> Street in Block 37 in the division of Section 19 aforesaid; thence west along said south line and along said south line extended west, crossing South Hoyne Avenue, to the west line of said avenue; thence north along said west line to the northeast corner of Lot 35 in Evans' Subdivision of part of the south half of Block 38 in the division of Section 19; thence west along said north line to the east line of a 16 foot wide (partially vacated) north/south alley; thence south along said east line to an intersection with the eastward extension of the south line of a 15 foot wide east/west alley north of and adjacent to the north line of Lot 34 of Evans' Subdivision aforesaid; thence west along said eastward extension and along said south line and said south line extended west, crossing South Hamilton Avenue (partially vacated) and the vacated 16 foot wide north/south alley east of and adjacent to Lots 23 through 26 in said Evans' Subdivision, to the east line of South Leavitt Street (partially vacated); thence south along said east line, crossing the 16 foot wide east/west alley in said Evans' Subdivision, to an intersection with the eastward extension of the south line of West 18<sup>th</sup> Street; thence west along said eastward extension and along said south line and said south line extended west, crossing said South Leavitt Street and South Oakley Avenue, to the northwest corner of Lot 19 in Block 3 of Johnston's Subdivision of the north half of the west half of the southwest quarter of Section 19 aforesaid; thence south along the west line of said lot to an intersection with the southeasterly line of West 18<sup>th</sup> Street; thence southwesterly along said southeasterly line to the present east line of South Western Avenue; thence south along said east line, and along said east line extended south, crossing the 16 foot wide east/west alley in Block 3 of Johnston's Subdivision aforesaid, West 18<sup>th</sup> Place, the 16 foot wide east/west alley in Block 4 of said Johnston's Subdivision, West 19<sup>th</sup> Street, West Cullerton Street and West 21<sup>st</sup> Street, to an intersection with the eastward extension of the south line of West 21<sup>st</sup> Street in Section 24 aforesaid; thence west along said eastward extension, and along said south line and along said south line extended west, crossing South Western Avenue and passing into said Section 24, and crossing the 16 foot wide north/south alley in Block 13 of the subdivision of Blocks 10, 11, 12, 13, 14 and 15 in Walker's Douglas Park Addition to Section 24 aforesaid, a north/south railroad right-of-way and South Rockwell Street, to an intersection with the southward extension of the west line of said street; thence north along said southward extension, and along said west line and said west line extended north, crossing West 21<sup>st</sup> Street, the 16 foot wide east/west alley in the south

part of Block 10 of said Douglas Park Addition and West Cullerton Street, to the south line of the 16 foot wide east/west alley in the north part of said block; thence west along said south line to the east line of South Washtenaw Avenue; thence south along said east line to an intersection with the eastward extension of the south line of Lot 44 in Block 6 of McMahon's Subdivision of the west half of the west half of the southeast quarter of Section 24 aforesaid; thence west along said eastward extension and along said south line to the east line of the 16 foot wide north/south alley in said Block 6; thence south along said east line and along said east line extended south, crossing West 21<sup>st</sup> Street aforesaid, to an intersection with the eastward extension of the south line of West 21<sup>st</sup> Street, aforesaid; thence west along said eastward extension, and along said south line and said south line extended west, crossing the 16 foot wide north/south alley in Block 7 of McMahon's Subdivision aforesaid, South Fairfield Avenue, the 16 foot wide north/south alley in Block 8 of said subdivision, and South California Avenue, to an intersection with the southward extension of the west line of said avenue; thence north along said west line and said west line extended north, crossing West 21<sup>st</sup> Street, the 16 foot wide east/west alley in Block 10 of the subdivision of Blocks 10 to 15 in Walker's Douglas Addition aforesaid, the Burlington Northern Railroad Company right-of-way and West 18<sup>th</sup> Place, to an intersection with the westward extension of the north line of West 19<sup>th</sup> Street in Block 4 of McMahon's Subdivision aforesaid; thence east along said westward extension and along said north line and said north line extended east, crossing South California Avenue and the 16 foot wide north/south alley in said Block 4 to the east line of said alley; thence northeasterly along the northwesterly line of said West 19<sup>th</sup> Street, crossing South Fairfield Avenue and the 16 foot wide north/south alley in Block 3 of McMahon's Subdivision aforesaid, to the west line of South Washtenaw Avenue; thence north along said west line, and said west line extended north, crossing the 16 foot wide east/west alley in said Block 3, West 18<sup>th</sup> Street, the 16 foot wide east/west alleys in Block 2 of said McMahon's Subdivision, West 16<sup>th</sup> Street and West 15<sup>th</sup> Place, to an intersection with the westward extension of the present north line of said West 15<sup>th</sup> Place; thence east along said westward extension and along said north line to the east line of Lot 7 in S. B. Mills' Addition to Chicago, being a subdivision of certain lots in Carson's Subdivision and Pope's Subdivision in Section 24 aforesaid; thence north along said east line, and along the northward extension of said east line to the north line of a 16 foot wide east/west alley lying north of and adjacent to said S. B. Mills' Subdivision; thence west along said north line to the west line of Lot 11 in said Carson's Subdivision; thence north along said west line, and said west line extended north, crossing West 15<sup>th</sup> Street, to the north line of said street; thence east along said north line to the west line of South Rockwell Street; thence north along said west line, and said west line extended north, crossing West 14<sup>th</sup> Place, the 16 foot wide east/west alley in

Radnor and Lehmann's Subdivision of Lots 1 and 2 in Block 5 in Cook and Anderson's Subdivision in Section 24 aforesaid, Ogden Avenue as widened, and the 16 foot wide southwest/northeast alley in the subdivision of lots in Blocks 3, 4 and 5 in Cook and Anderson's Subdivision aforesaid, to the south line of West 13<sup>th</sup> Street; thence west along said south line and along said south line extended west, crossing the 16 foot wide north/south alley in the subdivision of Lot 24 in Block 1 of Cook and Anderson's Subdivision aforesaid, and South Talman Avenue, to the west line of said avenue; thence north along said west line, and said west line extended north, crossing West 12<sup>th</sup> Place, to an intersection with the north line of said 12<sup>th</sup> Place; thence east along said north line to the west line of South Talman Avenue; thence north along said west line, and said west line extended north, crossing the 16 foot wide east/west alley in the subdivision of Lots 6, 7, 8, 9 and 10 in Block 1 of Cook and Anderson's Subdivision aforesaid, to the south line of West Roosevelt Road; thence west along said south line and along said south line extended west, crossing South Washtenaw Avenue, South Fairfield Avenue and South California Boulevard, passing into Section 13 aforesaid, to an intersection with the southward extension of the west line of said South California Boulevard as located in said Section 13; thence north along said southward extension, and along said west line and said west line extended north, crossing the 16 foot wide east/west alley in Block 1 in Helen Culver's Douglas Park Subdivision of Blocks 25, 26 and 27 in G.W. Clarke's Subdivision, West Fillmore Street, railroad lands in Block 2 of Charles H. Kehl's Subdivision of Blocks 17, 18, 23 and 24 of said G.W. Clarke's Subdivision, West Taylor Street, West Arthington Street, West Polk Street, West Lexington Street, West Flournoy Street, and the 16 foot wide east/west alley in Block 1 of Fotsythe, Spear and Wallace's Subdivision of Blocks 1, 3 and 8 of G.W. Clarke's Subdivision aforesaid, to the south line of West Harrison Street; thence west along said south line to an intersection with the southward extension of the west line of the 18 foot wide north/south alley in James V. Borden's Resubdivision of Block 6 and Lots 1 to 24 of Block 1 of Reed's Subdivision; thence north along said southward extension and along said west line and said west line extended north, crossing the 16 foot wide east/west alley in said Borden's Subdivision and West Congress Parkway, to a point on the westward extension of the north line of said parkway; thence east along said westward extension, and along said north line and said north line extended east, crossing South California Avenue, vacated South Washtenaw Avenue and vacated South Talman Avenue to the west right-of-way line of the Union Pacific Railroad Company; thence south along said west right-of-way line, and along said west line extended south, to the centerline of West Harrison Street; thence east along said centerline to an intersection with the southward extension of the east right-of-way line of the Union Pacific Railroad Company; thence north along said southward extension, and along said east line, to the aforementioned north line of West Congress

Parkway; thence east along said north line, and along said north line extended east, crossing vacated South Maplewood Avenue, vacated South Campbell Avenue, and South Western Avenue, passing into Section 18 aforesaid, to the east line of said Western Avenue; thence north along said east line to the northwest corner of Lot 19 in Block 2 in the subdivision of Lots 1 to 12, inclusive, of Block 12 of Rockwell's Addition to Chicago; thence east along the north line of said Lot 19, and along said north line extended east, crossing the 16 foot wide north/south alley in said block, to the east line of said alley; thence south along said east line to the north line of the 16 foot wide east/west alley in said Block 2; thence east along said north line and along said north line extended east, crossing South Claremont Avenue, the 16 foot wide north/south alley in Block 1 of the aforementioned subdivision of Lots 1 to 12, and South Oakley Avenue to the east line of said avenue; thence south along said east line and along said east line extended south, the north line of West Harrison Street; thence east along said north line, and along said north line extended east, crossing vacated South Bell Avenue, to the west line of the vacated 16 foot wide north/south alley in the subdivision of Lot 13 in Block 12 of Rockwell's Addition to Chicago; thence north along said west line and along said west line extended north, crossing the vacated 16 foot wide east/west alley in said block, to an intersection with the westward extension of the north line of Lot 1 in Thompson's Subdivision of Lots 19 and 20 and the south 14 feet of Lot 18 in Block 2 in Young's Subdivision in Section 18 aforesaid; thence east along said westward extension, crossing said vacated alley and South Leavitt Street to the east line of said street; thence south along said east line and said east line extended south, crossing West Harrison Street to an intersection with the south line of said street; thence west along said south line to the east line of said South Leavitt Street; thence south along said east line, and said east line extended south, crossing the vacated 16 foot wide east/west alley in Block 2 of Fournoy's Resubdivision of Jones and Patrick's Addition to Chicago in Section 18 aforesaid, to the north line of West Fournoy Street; thence east along said north line and along said north line extended east, crossing South Hoyne Avenue, to an intersection with the northward extension of the east line of said avenue; thence south along said northward extension and along said east line and said east line extended south, crossing West Polk Street, to the south line of said street; thence west along said south line, and along said south line extended west, crossing the 16 foot wide southwest/northeast alley in Block 8 of the Fournoy's Resubdivision aforesaid, West Bowler Street, the 16 foot wide southwest/northeast alley in Block 7 of said resubdivision, and South Leavitt Street, to an intersection with the southward extension of the west line of South Leavitt Street; thence north along said southward extension, and along said west line and said west line extended north, crossing West Polk Street and the vacated 16 foot wide alley south of and adjacent to F.W. and J.L. Campbell's Subdivision of Block

2 in Morris and Others' Subdivision, to the south line of West Campbell Park Drive; thence west along said south line and said south line extended west, crossing South Oakley Boulevard, to the west line of said boulevard; thence north along said west line, and along said west line extended north, crossing West Flournoy Street, to the south line of an 18 foot wide east/west alley north of and adjacent to the north line of Lot 1 in the subdivision of the north 75 feet of Lots 47, 48, 49, 50 and part of 51 in Block 16 of Morris and Others Subdivision aforesaid; thence west along the south line of said alley, and along said south line extended west, to the east line of South Western Avenue; thence south along said east line to the intersection of said east line with the eastward extension of the south line of Lot 5 in the Spafford and Fox Subdivision of the northeast quarter of the northeast quarter of the southeast quarter of Section 13 aforesaid; thence west along said eastward extension, crossing South Western Avenue and passing into said Section 13, and along said south line, to the southwest corner of said Lot 5; thence westerly, to an angle point in the north line of Lot 58 in the Spafford and Fox Subdivision aforesaid; thence west along the north line of said lot (said north line being also the south line of a 16 foot wide east/west alley), and along said north line extended west, crossing a vacated 10 foot wide north/south private alley, and South Campbell Avenue, to the east line of South Maplewood Avenue; thence south along said east line, and along said east line extended south, crossing West Flournoy Street, the 15.5 foot wide east/west alley in Block 4 of Carter H. Harrison's Addition to Chicago, West Lexington Street, and the 15.5 foot wide east/west alley in Block 5 of said subdivision, to the north line of West Polk Street; thence east along said north line, and said north line extended east, crossing South Campbell Avenue, to an intersection with the northward extension of the east line of said avenue; thence south along said northward extension, and along said east line and said east line extended south, crossing West Polk Street, the 16 foot wide east/west alley in S.W. Rowson's Subdivision of the southeast quarter of the northeast quarter of the southeast quarter of Section 13 aforesaid, West Arthington Street, the 16 foot wide east/west alley in S.W. Rowson's Subdivision of Block 1 of said S.W. Rowson's Subdivision, West Taylor Street, the 16 foot wide east/west alley in S.W. Rowson's Subdivision of Block 2 in said S.W. Rowson's Subdivision, West Fillmore Street, the 16 foot wide east/west alley in S.W. Rowson's Subdivision of Block 3 of said S.W. Rowson's Subdivision, West Grenshaw Street, and the 16 foot wide east/west alley in S.W. Rowson's Subdivision of Block 4 of said S.W. Rowson's Subdivision, to the north line of West Roosevelt Road; thence east along said north line, and along said north line extended east, crossing the 16 foot wide north/south alley in said subdivision of Block 4 and South Western Avenue, passing into Section 18 aforesaid, to an intersection with the southward extension of present east line of said avenue; thence north along said southward extension to the present north line of West Roosevelt Road; thence east along said north line



to an angle point in said line, said point being in the south line of Lot 46 in the E.K. Douglass Subdivision of Block 9 in Morris and Others' Subdivision aforesaid; thence northeasterly to an intersection with the westward extension of the north line of West Roosevelt Road in the subdivision of Block 8 in said Morris and Others Subdivision; thence east along said westward extension, and along said north line and said north line extended east, crossing South Oakley Boulevard, West Ogden Avenue, vacated South Leavitt Street, South Hamilton Avenue, the vacated 10 foot north/south alley in the subdivision of Blocks 7 and 8, together with the east half of Block 6 in Tiernan's Subdivision, South Hoyne Avenue, the vacated north/south alley west of and adjoining South Damen Avenue, said South Damen Avenue, vacated South Winchester Avenue, South Wolcott Avenue, South Wood Street, South Hermitage Avenue, South Paulina Street, vacated South Marshfield Avenue and South Ashland Avenue, passing into Section 17 aforesaid, to the point of beginning, in Cook County, Illinois, containing 755 acres of land, more or less.

*Exhibit "B".*

*Street Boundary Description Of The Area.*

The street boundary description for the Western/Ogden Area is an area generally bounded by West Congress Parkway, West Harrison Street, West Polk Street and West Roosevelt Road on the north; South Ashland, South Campbell and South Western Avenues on the east; West 21<sup>st</sup>, West 18<sup>th</sup> and West 16<sup>th</sup> Streets on the south; and South California Avenue, South Talman Avenue, South Rockwell Street and South Washtenaw Avenue on the west.

Exhibit "C".

Boundary Map.

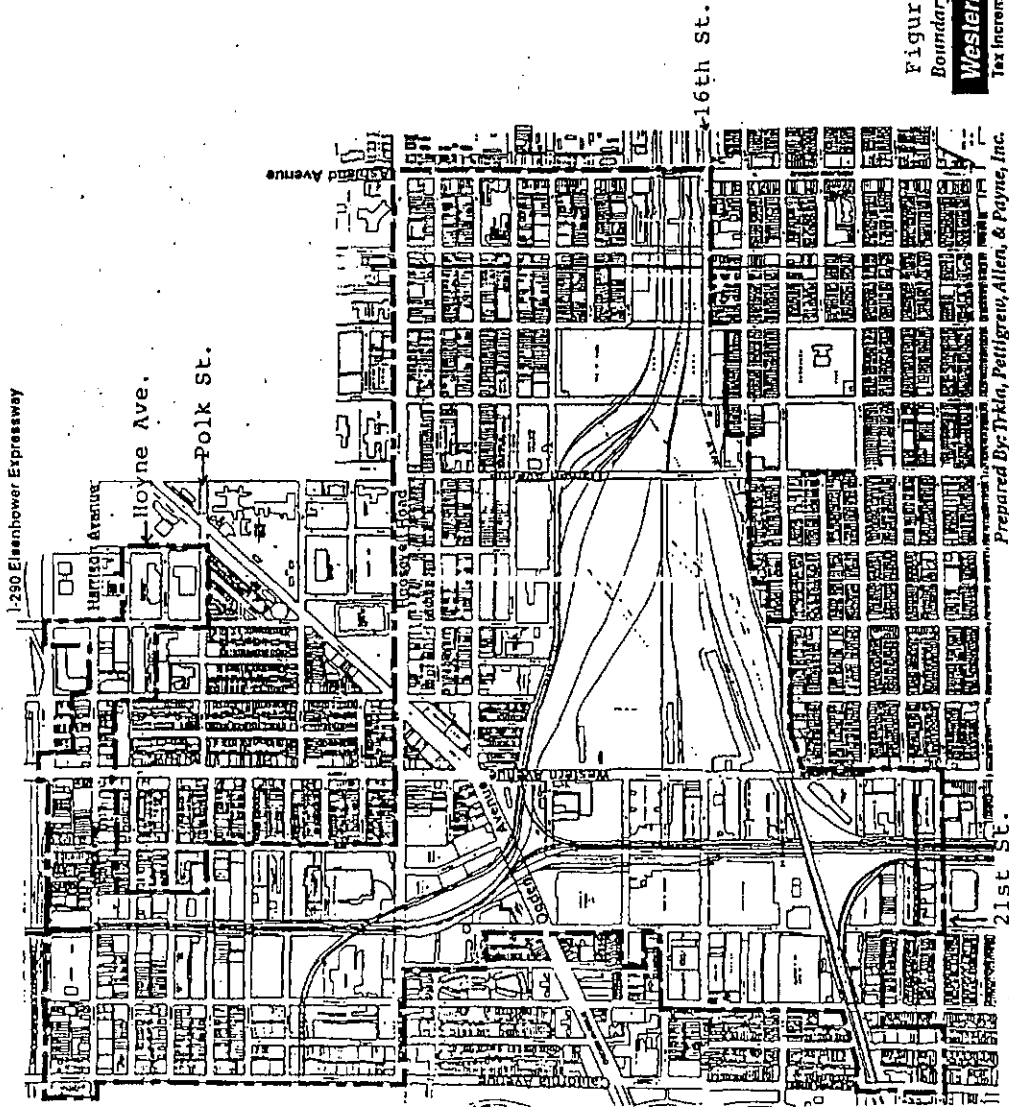


Figure 1  
Boundary Map

Chicago, Illinois  
Western/Ogden  
Tax Increment Financing Redevelopment Project

Prepared By: Trkin, Pettigrew, Allen, & Payne, Inc.

EXHIBIT B-1

PROPERTY LEGAL DESCRIPTION

THAT PART OF THE NORTH  $\frac{1}{2}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF SAID NORTH  $\frac{1}{2}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE SOUTHWEST  $\frac{1}{4}$  AND THE WEST LINE OF DAMEN AVENUE, WHICH IS 33 FEET WEST OF THE EAST LINE OF SAID NORTH  $\frac{1}{2}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE SOUTHWEST  $\frac{1}{4}$  THENCE WEST 619.80 FEET ALONG THE SOUTH LINE OF SAID NORTH  $\frac{1}{2}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE NORTHEAST  $\frac{1}{4}$  OF THE SOUTHWEST  $\frac{1}{4}$ ; THENCE NORTHEASTERLY TO A POINT IN THE WEST LINE OF DAMEN AVENUE 157.66 FEET NORTH OF THE PLACE OF BEGINNING; THENCE SOUTH ALONG AFORESAID WEST LINE 157.66 FEET TO THE PLACE OF BEGINNING (EXCEPT THE SOUTH 5.00 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 1614 S. DAMEN, CHICAGO, ILLINOIS

PIN: 17-19-300-041-0000

EXHIBIT B-2

SITE PLAN

(Intentionally Omitted)

EXHIBIT C-1  
PROJECT BUDGET

<b>Category</b>	<b>Amount</b>
Land Acquisition	\$1
Unit Construction Costs	\$9,656,108
Other Hard Construction Costs	\$1,590,769
Infrastructure Total	\$128,546
Environmental Total	\$811,826
Professional Fees Total	\$924,458
Lender Fees Total	\$899,560
Insurance and Taxes	\$77,061
Marketing and Leasing Total	\$50,000
Developer Fee Total	\$1,000,000
Reserves Total	\$320,853
<b>Total Project Costs</b>	<b>\$15,459,182</b>



EXHIBIT D

TIF-FUNDED IMPROVEMENTS

Category	Project Budget Amount	% TIF-Eligible	TIF-Eligible Cost
Land Acquisition	\$1	100%	\$1
Site Preparation	\$736,903	100%	\$736,903
Environmental	\$850,326	100%	\$850,326
Affordable Housing Unit Costs			
Hard Costs	\$9,656,108	50%	\$4,828,054
Electricity/Gas Connection	\$20,000	50%	\$10,000
Architecture/Engineering	\$658,374	50%	\$329,700
<b>Total</b>	<b>\$11,921,712</b>		<b>\$6,755,661</b>

\* Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed \$4,372,080.

EXHIBIT E  
CONSTRUCTION CONTRACT

(Intentionally Omitted)



EXHIBIT F

APPROVED PRIOR EXPENDITURES

(Intentionally Omitted)

EXHIBIT G  
PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against the Developer Parties or the Project, other than liens against the Property, if any:

[None.]

EXHIBIT H

OPINION OF  
DEVELOPER PARTIES' COUNSEL

(Intentionally Omitted)

EXHIBIT I  
FORM OF PAYMENT BONDS

(Intentionally Omitted)

EXHIBIT J  
REQUISITION FORM

(Intentionally Omitted)

EXHIBIT K

LENDER FINANCING

A. Lender Financing:

1. Amount: Not to exceed \$8,500,000  
Source: Citibank, through City Tax Exempt Notes  
Interest: Not to exceed 10 or such other rate acceptable to  
DPD Commissioner  
Security: A first mortgage lien (construction period) on the Property
  
2. Amount: Up to \$4,450,000  
Source: Chicago Housing Authority – capital and/or development funds or  
other  
Funds acceptable to DPD Commissioner  
Term: Not to exceed 42 years  
Interest: Zero percent per annum  
Security: A second mortgage lien on the Property
  
3. Amount: Up to \$1,227,920  
Source: City of Chicago Multi-Family Program Funds  
Term: Not to exceed 42 years  
Interest: One percent per annum  
Security: A third mortgage lien on the Property
  
4. Amount: Up to \$4,372,080  
Source: TRP, derived from City TIF Funds  
Term: Not to exceed 42 years  
Interest: Zero percent per annum  
Security: Mortgage lien(s) junior to above liens on the Property

B. Other Financing:

1. Approximately \$5,286,248 to be derived from the syndication by the General Partner of Low-Income Housing Tax Credits allocated by the City.
2. The General Partner will contribute \$100.

EXHIBIT L  
ESCROW AGREEMENT

(Intentionally Omitted)

EXHIBIT M

FORM OF CERTIFICATE OF COMPLETION

(Intentionally Omitted)