



Doc#: 0604732120 Fee: \$246.50  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 02/16/2006 04:37 PM Pg: 1 of 112

[leave blank 3" x 5" space for recorder's office]



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

FOOTWEAR FACTORY  
REDEVELOPMENT AGREEMENT

This Footwear Factory Redevelopment Agreement (this "Agreement") is made as of this 16th day of February, 2006, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Footwear Factory Development Corp., an Illinois corporation ("Footwear"), 3963 West Belmont Residential Property LLC, an Illinois limited liability company ("Residential") and 3927 West Belmont Commercial Property LLC, an Illinois limited liability company ("Commercial") (Footwear, Residential and Commercial are collectively defined herein, jointly and severally, as the "Developer").

RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the

local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the “City Council”) adopted the following ordinances on February 16, 2000: (1) “An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Fullerton/Milwaukee Redevelopment Project Area”; (2) “An Ordinance of the City of Chicago, Illinois Designating the Fullerton/Milwaukee Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act”; and (3) “An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Fullerton/Milwaukee Redevelopment Project Area” (the “TIF Adoption Ordinance”). To expand the redevelopment area pursuant to the Act, the City Council adopted the following ordinance on May 11, 2005: “An Ordinance of the City of Chicago, Illinois Approval of Amendment Number 1 to Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project” (the “Amending Ordinance”). Collectively, the TIF Adoption Ordinances and the Amending Ordinance are defined herein as the “TIF Ordinances.” The Redevelopment Area (as defined below) is legally described on Exhibit A.

D. The Project: The Developer will purchase (the “Acquisition”) two buildings located within the Redevelopment Area which are located at 3961-63 West Belmont and 3927 West Belmont, Chicago Illinois, 60618, legally described on Exhibit B attached hereto and incorporated herein by this reference (collectively, the “Property”); and within the time frames set forth in Section 3.01 hereof, shall commence and complete the following: (i) rehabilitation of the existing six (6) story building located at 3961-63 West Belmont into: (a) 175 residential units; (b) 6,500-8,500 square feet of leaseable commercial and related space on its ground floor; (c) approximately 141 parking spaces in the basement area; and (d) approximately 50 parking spaces in a surface lot (collectively, the “Residential Building”). The Units as described in Section 2 will be located on floors one (1) through six (6) of the Residential Building and the renovations to the historically significant façade will conform to recommendations of the DPD Landmark Division. A rooftop garden or “green roof” covering at least 50% of the total roof area of the Residential Building will be provided in accordance with the Planned Development Ordinance adopted by the City Council. The Units and exterior renovations will incorporate Energy Star requirements to the greatest extent possible, including installation of Energy Star compliant appliances. (ii) The demolition of the existing three (3) story building at 3927 West Belmont and construction of one (1) story 28,000 square feet commercial building (“28,000 Square Foot Building”) along with an approximately 1400 square feet commercial building (“1,400 Square Foot Building”) (the 28,000 Square Foot Building and the 1,400 Square Foot Building may sometimes be collectively referred to as the “Commercial Buildings”). The 28,000 Square Foot Building will include 28 ground level parking spaces and 112 parking spaces on its roof, which roof will meet the requirements of the Chicago Zoning Ordinance for parking areas. The roof of the 1,400 Square Foot Building will be constructed with a green vegetative roof over

50% of its net area. The Commercial Buildings will be constructed in accordance with Energy Star requirements.

The Residential Building, including the Affordable Units (as defined below), and the Commercial Buildings, are sometimes referred to herein as the “Facility.” The 29,400 square feet of leaseable commercial space in the Commercial Buildings and the 6,700-8,500 square feet of commercial space in the Residential Building are sometimes referred to herein as the “Commercial Space.” 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 as the “Project.” The completion of the Project would not be anticipated without the financing contemplated in this Agreement.

The Units will consist of thirty five (35) Affordable Units and the remaining 140 units will be Market Rate Units, as defined in Section 2 below. The Affordable Units will be marketed through the City of Chicago Department of Housing. The Developer shall form a Condominium Association and submit the Units to the Illinois Condominium Act by recordation of Plat of Condominium and Declaration of Condominium prior to the conveyance of the first such Unit. The Developer will convey the Market Rate Units to buyers at Market Prices, and the Affordable Units to Qualified Households at an Affordable Price, as such terms are defined in Section 2. Neither the purchasers of Market Rate or Affordable Units, nor the lender providing Lender Financing for the Project shall have any obligation to perform the construction obligations of the Developer.

This Agreement shall be recorded against the Property and, during construction, shall encumber the Facility and all related improvements. The mortgage liens and security interests created under the Lender Financing documents shall be subordinate to this Agreement to generally insure that the affordability requirements imposed thereby survive any foreclosure of such liens and security interests.

After the Property, or a portion thereof, has been submitted to the Condominium Property Act and separate legal descriptions for the Units have been created, then, at the time of the conveyance of Units to private purchasers, the recorded Lender Financing documents shall be partially released and amended, as applicable, from time to time, so as to impose continuing mortgage liens and security interests against only the Units that have not yet been conveyed and to permit the Developer to deliver clear title to the Units being conveyed.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project (the “Redevelopment Plan”) attached hereto as Exhibit D.

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

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, the proceeds of which (the “TIF Bond Proceeds”) may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes (including any such payment made pursuant to any City Note provided to the Developer pursuant to this Agreement), to make payments of principal and interest on the City Notes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

G. Prior TIF Financing: Pursuant to a note ordinance adopted by the City Council on October 2, 2002, the City issued its Tax Increment Allocation Revenue Note (Fullerton/Milwaukee Redevelopment Project) Taxable Series 2002, dated December 2002, in the amount of \$700,000 to The Northern Trust Company, secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Small Business Improvement Fund for the Fullerton Milwaukee TIF Area (the "Bank Note").

The Developer acknowledges that the Bank Note is a prior lien on the Fullerton/Milwaukee TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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

#### SECTION 1. RECITALS

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

#### SECTION 2. DEFINITIONS

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

“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.

“Act” shall have the meaning set forth in the Recitals hereof.

“Actual Profit” shall mean an amount equal to Net Sales Proceeds, plus City Funds, less Actual Project Costs.

“Actual Project Costs” shall mean all hard and soft costs actually expended to implement the Project including the General Contractor’s fee, the Project Construction Overhead and Sales Costs, exclusive of sales commissions, closing costs and developer fee, project management fee,

other supervision, other overhead and profit, as such costs are evidenced by the Developer to the satisfaction of DPD.

“Acquisition” shall have the meaning set forth in the Recitals hereof.

“Acquisition Funds” shall mean an amount not to exceed \$500,000 of City Funds to reimburse the Developer for a portion of the costs of the Acquisition.

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

“Affordable Units” shall mean 35 units (including a dedicated parking space for each unit, which shall be conveyed by deed solely for the exclusive use and enjoyment of such unit, and such other amenities to be approved by DPD including appliances which are Energy Star compliant) sold to Qualified Households within the ranges indicated and for an Affordable Price as set forth below:

<u># of Units</u>	<u>Approximate Unit Sq.Ft.</u>	<u># of Bedrooms</u>	<u>Affordable Price*</u>	<u>AMI of Qualified Household</u>
7	802-872	2	\$191,000	at or below 100%
17	906-982	2	\$191,000	at or below 100%
1	1,045-1,185	3	\$163,000	between 80%-100%
1	1,045-1,185	3	\$183,000	between 80%-100%
1	1,045-1,185	3	\$193,000	between 80%-100%
8	1,045-1,185	3	\$223,000	at or below 100%

\*as of the Closing Date.

“Affordable Price” means an amount less than or equal to the price at which Monthly Homeownership Costs for the Affordable Unit, would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Affordable Unit whose income is the maximum amount allowable for such household to be a Qualified Household, such amount to be adjusted with the passage of time as approved by the City of Chicago Department of Housing, in accordance with adjustments for inflation to AMI allowed by HUD.

“Agreement” shall have the meaning set forth in the Recitals hereof.

“Available Incremental Taxes” shall mean an amount equal to the Incremental Taxes deposited in the Fullerton/Milwaukee TIF Fund attributable to the taxes levied on the Property as adjusted to reflect the amount of the City Fee described in Section 4.05(b) hereof.

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

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

“Certificate” shall mean the Certificate of Completion of Rehabilitation and Construction described in Section 7.01 hereof.

“Certificate of Expenditure” shall mean the certificate, in the form attached to Exhibit M hereto, issued by the City to set or increase the principal amount of the City Note.

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

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

“City Fee” shall mean the fee described in Section 4.05(b) hereof.

“City Funds” shall mean the funds to be paid to the Developer upon issuance of a Certificate as Acquisition Funds and pursuant to the City Note as described in 4.03(b), as adjusted for any Deductions pursuant to Section 4.03(d). For the purposes of calculating Excess Profit, City Funds shall mean the Acquisition Funds, plus the value of the City Note not to exceed \$7,100,00, minus any Deductions.

“City Note” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Fullerton/Milwaukee Redevelopment Project) Series A, to be in the form attached hereto as Exhibit M, in the maximum principal amount of \$8,000,000, issued by the City to the Developer upon issuance of a Certificate. The City Note shall bear interest at the City Note Interest Rate.

“City Note Interest Rate” shall mean an annual interest rate equal to the median rate of a AAA 20 year G. O. Bond as published by Bloomberg for the 15 days prior to the date of issuance of the City Note plus a margin of 275 bps, but in no event will such interest rate be greater than 8.5% and shall not provide for accrued, but unpaid, interest to bear interest at the same annual rate.

“City Recapture Mortgage” shall mean the Mortgage, Security Agreement and Recapture Agreement Including Restrictive Covenants to be executed by purchasers of Affordable Units in favor of the City to secure the conditional repayment of the purchase price subsidy afforded such purchasers, which shall be in substantially the form of Exhibit Q.

“Closing Date” shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement and no more than 180 days after City Council authorization of execution of the Agreement.

“Construction Contract” shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between the Developer and the General Contractor providing for construction of the Project.

“Corporation Counsel” shall mean the City's Office of Corporation Counsel.

“Developer Parties” means, collectively, Developer; “Developer Party” means any one of the Developer Parties.

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

“Environmental Laws” shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called “Superfund” or “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to 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” shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03.

“Escrow” shall mean the construction escrow established pursuant to the Escrow Agreement.

“Escrow Agreement” shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the Developer and the Developer's lender(s), substantially in the form of Exhibit F attached hereto.

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

“Excess Profit” shall mean an amount equal to Actual Profit, less Threshold Profit where the Developer has sold at least all of the Affordable Units and eighty percent (80%) of the Market Rate Units and will include in Excess Profit the estimated profit from unsold Market Rate Units by calculating the average price per square foot of the Market Rate Units under contract and without contingencies.

“Facility” shall have the meaning set forth in the Recitals hereof.

“Financial Statements” shall mean complete compiled financial statements of the Developer prepared by an independent certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

“Fullerton/Milwaukee TIF Fund” shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

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

“Gross Sales Proceeds” shall mean all income generated by the Project from the sale of the Units, including but not limited to the proceeds from the sale of all Units and the Projected Sale Value of the Commercial Building, including but not limited to the parking spaces sold with the Market Rate Units, and build-out upgrades to Units as selected by respective Unit purchasers.

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

“Incremental Taxes” shall mean 100% of such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the Fullerton/Milwaukee TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

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

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

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

“Market Rate Units” shall mean shall mean 140 Units that may be sold at the market rate without any income qualification or affordability requirement, but shall contain Energy Star compliant appliances and mechanical/electrical systems.

“Monthly Homeownership Costs” shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate



- equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
  - (iii) annual insurance premiums, divided by 12, for homeowners' insurance in the amount of the replacement value of the Affordable Unit, and
  - (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

“Municipal Code” shall mean the Municipal Code of the City of Chicago.

“Net Sales Proceeds” shall mean Gross Sales Proceeds minus actual sales commissions and closing costs.

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

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

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

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

“Project” shall have the meaning set forth in the Recitals hereof.

“Project Budget” shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof.

“Project Construction Overhead” shall mean construction overhead, which would be reflected as general conditions, including electrical service, trash pickup, salaries of the field superintendent, the assistant superintendents, and twenty-five percent (25%) of the general superintendent's salary

“Projected Sale Value of the Commercial Building” shall mean proceeds from the sale of the Commercial Building which shall be determined by one or a combination of the following two options: Option 1: Proceeds shall equal (i) income received from a sale of all of the Commercial Space or portion thereof if sold to an unrelated third party purchaser; or (ii) income to be received from a pending sale as evidenced by a sales contract or other document acceptable to DPD. Option 2: Proceeds shall equal the total capitalized value of each lease of the Commercial Space. Such capitalized value will be determined by dividing, for the first year of stabilized income, the net operating income before debt by an 8.5 percent cap rate. For unleased Commercial Space, DPD and Developer will agree on an estimate of thirteen (\$13) dollars per

square foot of unleased net rentable area of the net operating income and cap rate of 8.5% percent for the unleased Commercial Space.

“Property” shall have the meaning set forth in the Recitals hereof.

“Qualified Investor” means a national banking association, a bank organized under the state law, any savings and loan association supervised by a federal or state authority, an insurance company whose primary and predominant business is the writing of insurance, or reinsuring risks underwritten by insurance companies subject to supervision by a state insurance commissioner (collectively, “Qualified Institutional Buyers”), a registered investment company, or a trust where certificates of participation are sold to Qualified Institutional Buyers or registered investment companies.

“Qualified Transfer” means the sale or assignment (other than for collateral purposes) of the City Note as long as:

- (a) the City has given its prior written consent to such proposed sale or assignment which consent will not be unreasonably withheld; and
- (b) any sale or assignment is to a Qualified Investor with no view to resale or reassignment; and
- (c) any sale or assignment is subject to the terms and procedures of an acceptable investment letter in the form of Exhibit R attached hereto.

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

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

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

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

“Sales Costs” shall mean sales expenses, which include a sales manger’s, sales assistant’s and sales director’s fees and a broker co-op fee.

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

“Survey” shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property prepared in accordance with those certain Table A specification as reasonably determined by Developer, dated within 90 days prior to the Closing Date accompanied by an affidavit from the surveyor dated the Closing Date indicating no

changes to the survey, acceptable in form and content to the City and the Title Company, prepared by an Illinois licensed surveyor, certified to the City, the Title Company, Developer and any lender providing Lender Financing and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including February 1, 2023).

“Threshold Profit” shall mean fifteen and two tenths percent (15.2%) of Actual Project Costs.

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

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

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

“TIF-Funded Improvements” shall mean 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. Exhibit C lists the TIF-Funded Improvements for the Project.

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

“Title Company” shall mean Chicago Title and Trust.

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

“Units” means collectively the Affordable Units and the Market Rate Units.

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

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

### SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) acquire the Property no later than December 31, 2005; (ii) commence the interior demolition no later than January 31, 2006; and (iii) complete construction and conduct business operations therein no later than December 31, 2009.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications for the Residential Building to DPD and DPD has approved the same. Developer shall deliver to DPD the Scope Drawings and Plans and Specifications for the Commercial Buildings that cannot be delivered prior to the Closing Date before commencing construction of the Commercial Buildings. After such initial approvals, subsequent proposed changes to the Scope Drawings or Plans and Specifications for the Residential Building and the Commercial Buildings shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Department of Buildings, Department of Transportation and such other City departments, the Commission on Chicago Landmarks or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Fifty-five Million Nine Hundred Twelve Thousand One Hundred Twenty-Eight Dollars (\$55,912,128). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefore) relating to material changes to the Project must be submitted by the Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by the Developer to DPD for DPD's prior written approval, which shall be granted or denied no later than thirty (30) days after receipt from Developer: (a) a cumulative 5% or more reduction or increase in the square footage or number of residential units of the Facility; (b) a change in the use of the Residential Building to a use other than residences and permitted commercial uses or a change in use of the Commercial Building to a use other than leasing to commercial businesses; (c) a delay in the start or completion of the Project of more than 90 days; or (d) a 5% or more increase or decrease in the Project Budget; (e) changes to the exterior finish materials; or (f) changes to the green roof areas or installation of Energy Star amenities and mechanical systems. The Developer shall not authorize or permit the

performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders not described in (a)-(f) above, do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DPD the source of funding therefore. For every \$1.00 reduction in the Project Budget, the City Funds will be decreased by \$.50, subject to the provisions of 4.03(d) below.

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

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DPD's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding, if required pursuant to Section 6.03.

3.07 Progress Reports and Survey Updates. The Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Developer must also deliver to the City written monthly progress reports, detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer'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 Developer acceptable to DPD to address and cure such shortfall. The Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by both DPD and the Developer shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect may be engaged by Developer's lender providing Lender Financing to render construction progress reports for the benefit of the same. The inspecting agent or architect shall

perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project pursuant to the Escrow Agreement.

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

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

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

3.12 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago, except as otherwise waived by the City Council in accordance with the City's Department of Housing letter to Developer, dated March 28, 2005. Notwithstanding Chapter 2-120-815 of the Municipal Code, no fee waivers will be provided with respect to any landmark or historic preservation work.

#### SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$55,912,128, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u> )	\$ 725,000
In-kind Equity	\$ 4,085,378*
Lender Financing	\$47,030,752
Proceeds of Unit Sales	\$ 4,070,998
Estimated City Funds (subject to <u>Section 4.03</u> )	\$ 8,500,000

\* "In-kind Equity" shall mean the value of the collateral secured by the lender and provided by David Dubin and Stuart Kantoff, owners of the Developer Party Footwear Factory Development Corporation, in order to guaranty the Lender Financing described herein.

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

4.03 City Funds.

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

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees after issuance of a Certificate to provide funds to reimburse the Developer for the costs of the Acquisition and to issue the City Note to the Developer. The Acquisition Funds shall be in an amount not to exceed \$500,000. The principal amount of the City Note shall be as described in Section 4.03(c). The total of City Funds shall be an amount not to exceed the lesser of Eight Million Five Hundred Thousand Dollars (\$8,500,000) or 15.20% of the actual total Project costs; and provided, however, that payments of City Funds are subject to the amount of Incremental Taxes or, Available Incremental Taxes deposited into Fullerton/Milwaukee TIF Fund being sufficient for such payments.

(c) City Note. The City will issue the City Note, in the form attached hereto as Exhibit M, to the Developer after issuance of a Certificate in an initial principal amount equal to the costs of the TIF-Funded Improvements, besides the Acquisition, which have been incurred by the Developer and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, however, that the maximum principal amount of the City Note shall be an amount not to exceed Eight Million Dollars (\$8,000,000); provided, further, that if the Developer does not sell or assign the City Note in a Qualified Transfer at issuance the maximum principal amount of the note shall be Seven Million One Hundred Thousand Dollars (\$7,100,000). Payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the Fullerton/Milwaukee TIF Fund being sufficient for such payments. Interest on the City Note will begin to accrue at the City Note Interest Rate upon the issuance of the Certificate and will compound annually. Payments of principal of and interest on the City Note shall be made as set forth below, provided that no payments shall be made prior to the issuance of the Certificate.

(i) Payments on the City Note. The City Note in the form attached hereto as Exhibit M will have a maturity date of December 31, 2024. The first payment with respect to the City Note shall be made on the later to occur of March 1, 2010

(from Available Incremental Taxes received by the City in the prior year or as projected for 2009) or two months after the City's receipt of a Requisition Form in accordance with Section 4.04. Thereafter, annual payments shall be made on the later to occur of March 1<sup>st</sup> of each subsequent calendar year or two months after the City's receipt of a Requisition Form. The final payment shall be made on or before December 31, 2024. If, in any year, the City does not make such scheduled annual payment, then, in the next year (and if required, any subsequent years), Available Incremental Taxes shall first be applied to repay any shortfall amounts, with the applicable interest added to the outstanding principal amount, and then applied to make such year's scheduled annual payment. In the event Available Incremental Taxes are more than sufficient to pay the scheduled annual payment (and no shortfall amounts remain unpaid), the City, in its sole discretion, may elect to use such excess Available Incremental Taxes to prepay the City Note or for any other legal use that the City may deem necessary or appropriate. The City Note may be prepaid in whole or in part, without premium or penalty, after the 5<sup>th</sup> anniversary of the earlier to occur of the first payment by the City on the City Note or March 1, 2015.

(ii) Pledge, Sale or Assignment of the City Note. After its issuance, Developer may pledge the City Note to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date and after the City has had an opportunity to review the loan commitment and security documents. Notwithstanding any such permitted pledge, the City shall have no obligation to make any payments with respect to the City Note except to the Developer, and then subject to the conditions set forth in this Agreement, including but not limited to Section 18.15, and in the City Note. After its issuance Developer may sell or assign (other than for collateral purposes) at any time the City Note to a Qualified Investor in a Qualified Transfer.

(iii) Other Incremental Taxes. Any Incremental Taxes that either (a) are not Available Incremental Taxes or (b) are not required to make payments under this Agreement (whether because all currently due payments have been made, because of the failure to issue the City Note, because of the full repayment of the City Note, or otherwise) shall belong to the City and may be pledged or used for such purposes as the City deems necessary or appropriate.

(iv) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any payment on the City Note, then: (1) the City will not be in default under this Agreement or the City Note, and (2) due but unpaid payments (or portions thereof) on the Notes will be paid as provided in this Section 4.03 as promptly as funds become available for their payment.

(v) No Cessation of City Note Payments. Notwithstanding anything to the contrary contained in this Agreement, after a Qualified Transfer of the City Note in compliance with this Section, if an Event of Default occurs, the City will,



notwithstanding such Event of Default, continue to make payments with respect to such City Note provided there are Available Incremental Taxes.

(vi) Costs of Issuance of the City Note. Developer will be responsible for paying all legal and issuance costs in relation to the City Note, including all costs of the City's bond counsel to be included in the Project Budget.

(d) Excess Profit Provision. Prior to the issuance of the Certificate, the Developer shall submit to DPD an updated pro forma, including an updated Project sources and uses, using the final Project data. If the Developer realizes an Excess Profit, then for every \$1.00 of Excess Profit, the Acquisition Funds will be decreased by \$.50 (the "Deduction"). If the Deductions exceed the amount of the Acquisition Funds, plus any other deductions or penalties provided in the Agreement, then prior to the issuance of the City Note the remaining amount of City Funds shall be decreased in the amount of the remaining Deductions and the initial principal amount of the City Note shall be adjusted accordingly.

4.04 Requisition Form. On the Closing Date and prior to each January 1 (or such other date as the parties may agree to) thereafter, beginning in 2010 and continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that the Developer has been reimbursed in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by DPD). If required by DPD, prior to each March 1 (or such other date as may be acceptable to the parties), beginning in 2010 and continuing throughout the Term of the Agreement, the Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements. (a) Only those expenditures made by the Developer 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, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) City Fee. Annually, the City may allocate an amount not to exceed twenty percent (20%) of the Incremental Taxes, which may include a prorated portion of Available 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.

(c) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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

4.07 Preconditions of Disbursement; Execution of Certificate of Expenditure. Prior to the disbursement of Acquisition Funds hereunder or the execution of a Certificate of Expenditure by the City, the Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of any request for disbursement of Acquisition Funds or execution by the City of a Certificate of Expenditure 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 or request for execution of a Certificate of Expenditure, that:

(a) the total amount of the disbursement request or request for Certificate of Expenditure represents the actual cost of the Acquisition or 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 or request for Certificate of Expenditure have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the current disbursement request or request for Certificate of Expenditure, and such work and materials conform to the Plans and Specifications;

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

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

(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. "Available Project Funds" as used herein shall mean: (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. The Developer hereby agrees that, if the Project is not In Balance, the Developer 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 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 of Acquisition Funds or execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of disbursement of Acquisition Funds or execution of a Certificate of Expenditure, 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. Subject to the requirements of this Section 4.07 and the availability of Available Incremental Taxes the number of disbursements of Acquisition Funds will equal the number of disbursement requests.

4.08 Conditional Grant . The Acquisition Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The Acquisition Funds are subject to being reimbursed as provided in Section 15.02 hereof.

4.09 Cost of Issuance . The Developer shall be responsible for paying all costs relating to the issuance of the City Note, including costs relating to the opinion described in Section 5.09(b) hereof.

## SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

begin construction of the Project and has submitted evidence thereof to DPD and shall obtain any such required permits or approval that cannot be issued prior to the Closing Date before commencing the stage of construction that requires such permit, and will submit evidence thereof to DPD.

5.04 Financing . The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with the Equity and other sources, if any, set forth in Section 4.01) to complete the Project. The Developer has delivered to DPD a copy of the Escrow Agreement entered into by the Developer regarding the Lender Financing. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

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

5.06 Evidence of Clean Title . The Developer, at its own expense, has provided the City with searches under the Developer's name as follows:

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

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

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

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

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

(b) On the date of issuance of the City Note, the City has received from Foley & Lardner LLP special counsel, an opinion regarding the tax-exempt status and enforceability of the City Note, in form and substance acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures . The Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

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

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project, if any and compliance with the Job Readiness Program as set forth in Section 8.21 hereof.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits. If environmental issues exist on the Property, the City will require written verification from the appropriate federal, state or municipal agency that all identified environmental issues have been or will be resolved to its satisfaction.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer Parties have each provided copies of Articles of Incorporation or Articles of Organization, as applicable, containing the original certification of the Secretary of State of its state of incorporation or organization; certificates of good standing or existence from the Secretary of State of its state of incorporation or organization and all other states in which the Developer is qualified to do

business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation or an operating agreement; and such other corporate documentation as the City has requested. The Developer Parties have provided to the City Economic Disclosure Statements, in the City's then current form, dated as of the Closing Date.

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

5.16 Landmark Designation. The Developer shall have provided written consent to the designation by the City of the Residential Building as a City of Chicago Landmark under the City's Landmark Ordinance in a form reasonably acceptable to DPD. The significant historical and architectural features shall be all exterior elevations, including rooflines, of the six-story portion of the Residential Building.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. DPD acknowledges that Developer has selected Dubin & Associates, Inc. as the General Contractor for the Project. Except as set forth in Section 6.01(b) below, prior to entering into an agreement with any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified subcontractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection. (i) For the TIF-Funded Improvements, the Developer shall or shall cause the General Contractor to select the subcontractor submitting the lowest responsible qualified bid, in Developer's sole discretion, who can complete the Project in a timely manner. If the Developer selects or the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects or the General Contractor selects any subcontractor who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of the all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD or the Compliance and Monitoring Division of the Department of Housing within ten (10) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

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

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation . Upon completion of the construction and rehabilitation of the Project in accordance with the terms of this Agreement, after the final disbursement from the Escrow, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

- (a) The Certificate will not be issued until:
  - (i) The Developer has notified the City in writing that the Project has been completed as defined in this Agreement;
  - (ii) The Developer has received a Certificate of Occupancy or if not available other evidence acceptable to DPD that the Developer has complied with building permit requirements;

- (iii) The Developer has complied with its obligations under the terms of the affordable housing requirements for the Project as set forth in, but not limited to, Section 8.20 of this Agreement and the City's Affordable Housing Ordinance;
  - (iv) The City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in Section 10 and Section 8.08 (M/WBE, City Residency and Prevailing Wage) with respect to construction of the Project;
  - (v) The Developer has sold all of the Affordable Units to Qualified Households at an Affordable Price;
  - (vi) The Developer has sold 80% of the Market Rate Units;
  - (vii) The Developer has submitted evidence satisfactory to DPD that the amount of TIF-Eligible Improvements made or incurred for the Project equals or exceeds the value of the City Funds as provided for in Section 4.03(b);
  - (viii) The Developer has submitted evidence satisfactory to DPD that it has leased a minimum of 60% of the Commercial Space for 5 years or more (the "Leased Space") and all of such Leased Space is currently occupied by the tenant(s); and
  - (ix) The Excess Profit amount, if any, has been determined.
- (b) DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures and DPD shall review and either respond or accept such revised request for a Certificate within forty-five (45) days of receipt of the same.

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



Those covenants specifically described at Sections 8.02, 8.06, 8.19, and 8.20 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

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

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

## SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

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

(a) Footwear is an Illinois corporation, Residential and Commercial are Illinois limited liability companies all of which are duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

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

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

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

(g) the Developer has as of the date of this Agreement all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to commence construction of the Project and thereafter shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment

now or hereafter attached thereto) except in the ordinary course of business or to a wholly-owned subsidiary; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

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

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

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

8.02 Covenant to Redevelop . Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance, if any, the TIF Bond Ordinance, if any, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto. Specifically, Developer shall:

- (a) construct the improvements constituting the Units, the parking spaces and the commercial space in accordance with the recitals and Section 8.19;

- (b) fund the construction of the Project in accordance with Section 4.01;
- (c) sell the Affordable Units to Qualified Households at an Affordable Price, cause each such buyer to execute a City Recapture Mortgage, in the form attached hereto as Exhibit Q, and cause such City Recapture Mortgage to be recorded at the time of the closing of such sale in accordance with Section 7.01;
- (d) use reasonable effort to sell the Market Rate Units to private purchasers at market rates in accordance with Section 7.01; and
- (e) cause its General Contractor (or, if such work is subcontracted or handled by a third party, such subcontractor or third party) to complete such work and provide such cooperation with the City as may be necessary to cover one or more “no further remediation letters” as may be necessary or appropriate to cover the entire Property.

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

8.04 Use of City Funds . City Funds disbursed to the Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

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

8.06 Occupancy; Permitted Uses. Developer covenants and agrees to lease and cause to be occupied not less than sixty percent (60%) of the Commercial Space (the “Minimum Occupancy”) upon issuance of a Certificate. Developer shall deliver an occupancy progress report detailing compliance with the Minimum Occupancy requirement (the “Occupancy Report”) by March 1 of each year through the Term of the Agreement. Developer shall cause the Property to be used as permitted pursuant to the Redevelopment Plan and shall not permit any future use restrictions when leasing the Commercial Space. The covenants contain in this Section 8.06 shall run with the land and be binding upon any transferee for the Term of the Agreement, provided, however, the Minimum Occupancy requirement shall not be binding on

any transferee purchasing all of the Commercial Space after the 5<sup>th</sup> anniversary of the issuance of the Certificate.

8.07 Employment Opportunity; Progress Reports . The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly during construction. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

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

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

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

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

8.13 Financial Statements . To the extent the same exists, the Developer Parties shall obtain and provide to DPD Financial Statements for the each Developer Party's fiscal year ended December 31, 2004 and each year thereafter for the Term of the Agreement. In addition, each Developer Party shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request. If such Financial Statements do not exist the Developer shall deliver a letter to DPD certifying the same and explaining the reason with respect to each Developer Party.

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

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

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

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

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

8.16 Developer's Liabilities . The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay

any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

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

#### 8.19 Real Estate Provisions .

##### (a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

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

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

(c) Real Estate Taxes.

(i) [Intentionally omitted].

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(iii) [Intentionally omitted].

(iv) [Intentionally omitted].

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that



the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19(c).

(d) Not Applicable to Purchasers of Condominium Units. The provisions of this Section 8.19 shall not apply to Governmental Charges or Real Estate Taxes payable by, or contestable by, owners of individual Units that have been purchased from the Developer or Affiliate after such time as such owners, under the terms of their purchase contracts and/or the condominium declaration, become responsible for the payment of Governmental Charges or Real Estate Taxes attributable to their respective Units.

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

- (a) The Facility, excluding the Commercial Space, shall be operated and maintained solely as a residential development; and
- (b) At least twenty percent (20%) of the units in the Facility shall be Affordable Units, i.e., sold to Qualified Households for the applicable Affordable Price for a period of 30 years from the Closing Date. In connection with the marketing of each Affordable Unit, the Developer shall attach as an exhibit to each purchase contract a copy of the City Recapture Mortgage and shall state in such purchase contract that the purchaser will be obligated to execute such junior mortgage at the time of closing and comply with its terms thereafter. At each closing of the sale of an Affordable Unit, the Developer shall cause such fully executed and acknowledged junior mortgage to be recorded as a junior mortgage lien against the purchaser's Affordable Unit; and
- (c) The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

8.21 [Intentionally Omitted].

8.22 Public Benefits Program . In furtherance of the development goals of the City for the community containing the Project, the Developer shall undertake a public benefits program as described on Exhibit N.

8.23 Job Readiness Program . The developer and its major tenants shall undertake a job readiness program, to work with the City, through the Mayor's Office of Workforce Development, to recruit, hire, and participate in job training programs to provide job applicants for the jobs created by the Project and the operation of the Developer's business on the Property.

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

## SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

## SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual

work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

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

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

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

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter

of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

## SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance, if any, and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer, or any successor in interest to the Agreement after an Assignment by the Developer pursuant to Section 18.15, agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)



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

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) Term of the Agreement

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

(d) Other Requirements

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

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

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

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

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

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

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

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

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

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

## SECTION 13. INDEMNIFICATION

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

(i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement, provided a bonafide claim exists; or

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

(iv) the Developer's failure to cure, as provided in Section 15.04, any misrepresentation in this Agreement or any other agreement relating hereto;

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

#### SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02 Inspection Rights . Upon five (5) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default . The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an “Event of Default” by the Developer hereunder:

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

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement relating to the Project with any person or entity, or under any other agreement not related to the Project if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

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

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

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within ninety (90) days after the commencement of such proceedings;

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

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

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

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

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

(k) prior to the issuance of the Certificate, the sale or transfer of all or a portion of the ownership interests of the Developer without the prior written consent of the City, except among record owners on the date hereof and to equity investors; or

(l) prior to the 5<sup>th</sup> anniversary of the issuance of the Certificate, the sale or transfer of all or a portion of the Property without the prior written consent of the City.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of any Developer Party's issued and outstanding shares of stock or membership interests, as applicable.

15.02 Remedies. Upon an Event of Default, the City may in its sole discretion terminate this Agreement and all related agreements, may suspend disbursement of the Acquisition Funds and/or the Developer shall reimburse the City the amount of the Acquisition Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

15.03 Curative Period . (a) In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, with respect to Section 8.06, the cure provisions for an Occupancy Default are described in Section 15.04.

(b) In the event the City deems an Event of Default to have occurred, the City shall, at the time it gives notice thereof to the Developer, in good faith endeavor to give written notice of such Event of Default to any lender providing Lender Financing which has previously notified and evidenced to the City in writing that such party holds a first mortgage on or similar security interest in the Property; provided, however, that the City shall not be deemed to have failed to perform any of its obligations hereunder or to the lender if it fails or is unable to so notify a lender.

15.04 Occupancy Curative Period. In the event the Developer shall fail to maintain the Minimum Occupancy (an "Occupancy Default") under Section 8.06, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred, unless the Developer has failed to cure the Occupancy Default within one (1) year of the date the City receives an Occupancy Report specifying such default (the "Cure Period"). If an Occupancy Default is not cured within the Cure Period an Event of Default has occurred and the City may seek remedies as described in Section 15.02. The Developer shall be entitled to only one Cure Period.

## SECTION 16. MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the

successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer," except that the successor in interest can only receive payments under the City Note pursuant to a Qualified Transfer; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

#### SECTION 17. NOTICE

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

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to the Developer:	Dubin & Associates, Inc. 4252 North Cicero Avenue Chicago, Illinois 60641 Attn: Mr. David Dubin



With Copies To: Ulmer & Berne LLP  
600 Vine Street, Suite 2800  
Cincinnati, Ohio 45202  
Attn: Bradley Kaplan, Esq.

And to: Schain Burney Ross & Citron, Ltd.  
222 North LaSalle Street, Suite 1910  
Chicago, Illinois 60601  
Attn: Bernard Citron, Esq.

And to: MB Financial Bank, N.A.  
6111 North River Road  
Rosemont, Illinois 60018  
Attn: Vincent G. Laughlin

With a copy to: Schain, Burney, Ross & Citron, Ltd.  
222 North LaSalle Street, Suite 1910  
Chicago, Illinois 60601  
Attn: David J. O'Keefe, Esq.

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

## SECTION 18. MISCELLANEOUS

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

18.02 Entire Agreement . This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the

parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

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

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

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

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

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.02, 8.06, 8.19, 8.20 and 8.24 hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

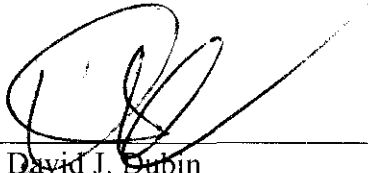
18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

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

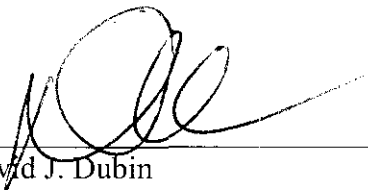
18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any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

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

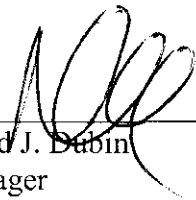
FOOTWEAR FACTORY DEVELOPMENT  
CORP., an Illinois corporation

By:   
\_\_\_\_\_  
David J. Dubin  
President/Sole Director

3963 WEST BELMONT RESIDENTIAL  
PROPERTY LLC, an Illinois limited liability  
Company

By:   
\_\_\_\_\_  
David J. Dubin  
Manager

3927 WEST BELMONT COMMERCIAL  
PROPERTY LLC, an Illinois limited liability  
company

By:   
\_\_\_\_\_  
David J. Dubin  
Manager

CITY OF CHICAGO

By: \_\_\_\_\_  
Lori T. Healey, Commissioner  
Department of Planning and Development

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

FOOTWEAR FACTORY DEVELOPMENT  
CORP., an Illinois corporation

By: \_\_\_\_\_  
David J. Dubin  
President/Sole Director


3963 WEST BELMONT RESIDENTIAL  
PROPERTY LLC, an Illinois limited liability  
Company

By: \_\_\_\_\_  
David J. Dubin  
Manager

3927 WEST BELMONT COMMERCIAL  
PROPERTY LLC, an Illinois limited liability  
company

By: \_\_\_\_\_  
David J. Dubin  
Manager

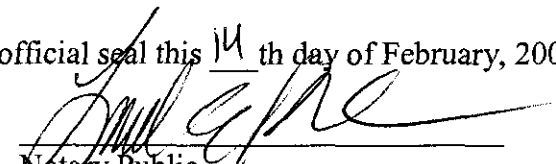
CITY OF CHICAGO

By: Lori T. Healey  
Lori T. Healey, Commissioner   
Department of Planning and Development

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, LINDA E KHAWSHABA, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David J. Dubin, personally known to me to be the President/Sole Director of Footwear Factory Development Corp., an Illinois corporation (the "Footwear"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to her by the Board of Directors of Footwear, as her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 14 th day of February, 2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

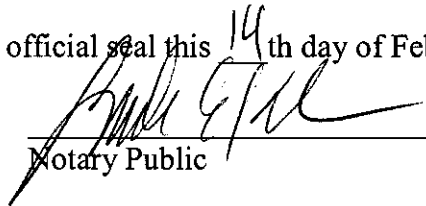
(SEAL)



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, LINDA E KHAWSHABA, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David J. Dubin, personally known to me to be the Manager of 3927 West Belmont Residential Property LLC, an Illinois limited liability company (the "Residential"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him as the Manager of Residential, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 14th day of February, 2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

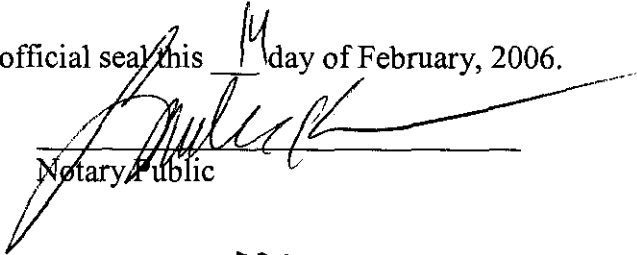




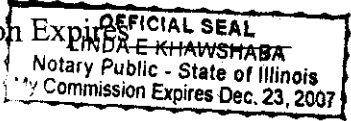
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, LINDA E KHAWSHABA, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David J. Dubin, personally known to me to be the Manager of 3963 West Belmont Commercial Property LLC, an Illinois limited liability company (the "Commercial"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him as the Manager of Commercial, as his free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my had and official seal this 14 day of February, 2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires



(SEAL)

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, Lorri A. Neely, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Lori T. Healey, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_th day of February, 2006.

Lorri A. Neely  
Notary Public

My Commission Expires 6-5-07



## LIST OF EXHIBITS

Exhibit A	*Redevelopment Area
Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
Exhibit F	Escrow Agreement
Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
Exhibit H-2	*MBE/WBE Budget
Exhibit I	Approved Prior Expenditures
Exhibit J	Form of Opinion of Developer's Counsel
Exhibit K	[Intentionally omitted]
Exhibit L	Form of Requisition Form
Exhibit M	*Form of City Note
Exhibit N	*Public Benefits Program
Exhibit O	Form of Subordination Agreement
Exhibit P	Form of Payment Bond
Exhibit Q	*Form of City Recapture Mortgage
Exhibit R	Form of Investment Letter

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

5/11/2005

REPORTS OF COMMITTEES

47413

*Appendix B.*

(To Amendment Number 1 To Fullerton/Milwaukee Tax Increment  
Financing Redevelopment Plan And Project)

*Legal Description For Fullerton/Milwaukee T.I.F. District.*

## Parcel 1:

That part of Sections 22, 23, 25, 26, 27, 35 and 36, Township 40 North, Range 13, East of the Third Principal Meridian, in the City of Chicago, Cook County, Illinois, more particularly described as follows:

commencing at the northwest corner of the northwest quarter of aforesaid Section 26 (intersection of the centerlines of West Belmont Avenue and North Pulaski Road); thence southward along the west line of said northwest quarter of Section 26, 166.00 feet, more or less, to the centerline of a 16 foot wide public alley, extended west (south of West Belmont Avenue); thence eastward along said centerline of vacated alley 33 feet to the east line of said North Pulaski Road for the point of beginning; thence eastward along the centerline of said vacated alley to the west line of North Springfield Avenue; thence south along the said west line of North Springfield Avenue 8.00 feet to the northeast corner of Lot 35 in Chas. Seeger's Subdivision of Lot 1 of Haussen and Seeger's Addition according to the plat thereof recorded March 26, 1912 as Document Number 23771; thence eastward across said North Springfield Avenue to the northwest corner of Lot 11 in aforesaid Chas. Seeger's Subdivision; thence eastward 126.1 feet, more or less to the northeast corner of said Lot 11; thence southeasterly along the southwesterly line of a 16 foot wide public alley to the northwesterly line of North Avers Avenue; thence northeasterly along the northwesterly line of said North Avers Avenue to the southwesterly line of North Milwaukee Avenue; thence southeasterly along the southwesterly line of said North Milwaukee Avenue to the northwesterly line of North Hamlin Avenue; thence southwesterly along the northwesterly line of said North Hamlin Avenue to the southwesterly line of a 16 foot wide aforesaid public alley (southwesterly of North Milwaukee Avenue); thence southeasterly along the southwesterly line of a 16 foot wide public alley to the northwesterly line of another 16 foot wide public alley (southeasterly of North Ridgeway Avenue) said point also being the most easterly corner of Lot 10 in John B. Dawson's Subdivision in the east half of the northwest quarter of said Section 26; thence southwesterly along said northwesterly line of a 16 foot wide public alley to the southwesterly line of West Oakdale Avenue, said point also being the most easterly corner of Lot 22 of aforesaid John B. Dawson's Subdivision; thence southeasterly along the southwesterly line of said West Oakdale Avenue to the northeast corner of Lot 57 in aforesaid John B.

Dawson's Subdivision; thence eastward along the south line of said West Oakdale Avenue to the west line of North Central Park Avenue; thence southward along the west line of said North Central Park Avenue to the south line (extended west) of a 16 foot public alley south of North Milwaukee Avenue; thence eastward across said North Central Park Avenue along the said extended line to the northwest corner of Lot 47 of Block 1 in Wm. E. Hatterman's Milwaukee Avenue Subdivision in the west half of the northeast quarter of said Section 26; thence eastward along the north line of said Lot 47, 103.65 feet to the northeast corner of said Lot 47; thence southeasterly along the northeasterly line of said Lot 47, 27.1 feet to a bend point in the east line of said Lot 47; thence southward along the east lines of Lots 43, 44, 45, 46 and 47 in Block 1 of said Wm. E. Hatterman's Milwaukee Avenue Subdivision to the north line of Lot 17 extended west in aforesaid Block 1; thence eastward along the said north line of Lot 17 of Block 1, 120.8 feet; thence southeasterly along the northeasterly line of aforesaid Lot 17, 19.2 feet, more or less, to the west line of North Drake Avenue; thence continuing southeasterly along the prolongation of last described course across said North Drake Avenue to the east line of said North Drake Avenue; thence southward along the east line of said North Drake Avenue to the northwest corner of Lot 28 of Block 2 in said Wm. E. Hatterman's Milwaukee Avenue Subdivision; thence eastward along said north line of Lot 28, 76.1 feet; thence southeasterly along the northeasterly lines of Lots 27 and 28 of said Block 2 to the southeast corner of said Lot 27; thence continuing southeasterly along the prolongation of the last described course, said prolongation also being the northeasterly lines of Lots 19 and 20 of said Block 2 to the northeast corner of said Lot 19 of Block 2; thence southward along the east line of said Lot 19 extended south to the south line of West Wolfram Street; thence eastward along said south line of West Wolfram Street to the southwesterly line of a 16 foot wide public alley (southwesterly of North Milwaukee Avenue); thence southeasterly along said southwesterly line of 16 foot wide public alley to the west line of said public alley; thence southward along the west line of said 16 foot wide public alley to the south line of another 16 foot wide public alley north of West Diversey Avenue; thence eastward along the south line of said 16 foot wide public alley to the northeast corner of Lot 27 in Block 3 in aforesaid Wm. E. Hatterman's Milwaukee Avenue Subdivision; thence southward along the east line (extended south) of said Lot 27 in Block 3 to the south line of West Diversey Avenue; thence eastward along the south line of said West Diversey Avenue to the west line of a 14 foot wide public alley (east of North St. Louis Avenue) in the east half of the west half of the southeast quarter of aforementioned Section 26; thence southward along the west line of said 14 foot public alley to the north line extended west of Lot 36 of Block 1 of Story's Milwaukee Avenue Subdivision of the northeast 15 acres of the west half of the southeast quarter of said Section 26; thence eastward along north lines of Lots 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47 and 48 of Block 1 of said Story's Milwaukee Avenue Subdivision to the east line of another 14 foot wide

5/11/2005

## REPORTS OF COMMITTEES

47415

public alley west of North Kimball Avenue; thence northward along the east line of said 14 foot wide public alley to the northwest corner of Lot 6 of said Block 1 of Story's Milwaukee Avenue Subdivision; thence eastward along the north line of said Lot 6 to the west line of North Kimball Avenue said point also being the northeast corner of said Lot 6 of Block 1 in Story's Milwaukee Avenue Subdivision; thence southward along the west line of said North Kimball Avenue to the northeasterly line of Lot 17 extended northwesterly in Milwaukee and Diversey Subdivision according to the plat thereof recorded March 29, 1924 as Document Number 8339078; thence southeasterly along said extended northeasterly line of Lot 17 to the most northern corner of said Lot 17, said northeasterly line of Lot 17 also being the southwesterly line of a 16 foot wide public alley; thence southeasterly along the southwesterly line of said 16 foot wide public alley extended southeasterly to the northeast corner of Lot 39 in Garrett's Third Logan Square Subdivision of part of Lot 2 in Garrett's Subdivision; thence easterly across North Spaulding Avenue to the southwesterly corner of Lot 2 in Garrett's Subdivision of part of the east half of the southeast quarter of said Section 26; thence southeasterly along the southwesterly line of said Lot 2 to the north line of Lot 1 in Garrett's Subdivision of Lot 1 and the north 20 feet of Lot 2 in Hitt and Others' Subdivision, said point is 120.40 feet east of the northwest corner of Said Lot 1; thence eastward along the north line of said Lot 1 to the west line of North Sawyer Avenue; thence southward along the west line of said North Sawyer Avenue to the south line of the north 5 feet of Lot 5 in aforesaid Garrett's Subdivision of Lot 1 and the north 20 feet of Lot 2 in Hitt and Others' Subdivision; thence eastward across said North Sawyer Avenue to the most northern corner of Lot 23 in Hitt and Others' Subdivision of 39 acres on the east side of the east half of the southeast quarter of said Section 26; thence southeasterly along the southwesterly line of a 16 foot wide alley southwesterly of North Milwaukee Avenue to the east line of Lot 4 in the resubdivision of Lots 28 to 30 of Block 3 in Hitt and Others' Subdivision; thence southward along the east line of said Lot 4 extended south to the north line of Lot 1 in Himes and Frank's Resubdivision of Lots 31 and 32 of Block 3 in Hitt and Others' Subdivision; thence eastward along the north line of said Lot 1 to the northeast corner of said Lot 1; thence southward along the east lines of Lots 1, 2, 3, 4, 5 and 6 in aforesaid Himes and Frank's Resubdivision to the southeast corner of said Lot 6; thence continuing southward across West Wrightwood Avenue to the northeast corner of Lot 1 in Kittner's Subdivision of the north half of Lot 1 of Block 6 in Hitt and Others' Subdivision; thence southward along the east lines of Lots 1, 2 and 3 in said Kittner's Subdivision to the southeast corner of said Lot 3 of Kittner's Subdivision; thence continuing southward along the east lines of Lots 1, 2 and 3 in the subdivision of the south half of Lot 1 of Block 6 in Hitt and Others' Subdivision to the south line of the north 5 feet of said Lot 3; thence eastward along the said south line of north 5 feet (extended east) of said Lot 3 to the west line of North Kedzie Avenue, said point being 125 feet west of the east line of the

southeast quarter of said Section 26; thence eastward across the 250 feet wide said North Kedzie Avenue to the northwest corner of Lot 13 of Block 2 in subdivision of Lots 4 and 6 in County Clerk's Division according to the plat thereof recorded July 7, 1885 as Document Number 637899; thence south along the east line of North Kedzie Avenue to the south line of a public alley north of West Linden Place; thence eastward along the south line of said public alley to a bend point; thence continuing southeasterly along and by following the southwesterly line of said public alley to the most easterly corner of Lot 38 of Block 1 in said subdivision of Lots 4 and 6 in County Clerk's Division; thence southwesterly along the southeasterly line of said Lot 38 to the northeasterly line of North Linden Place; thence southeasterly along the northeasterly line of said North Linden Place to the most southern corner of Lot 50 of Block 1 in said subdivision of Lots 4 and 6 in County Clerk's Division; thence northeasterly along the southeasterly line of said Lot 50 to the north line of West Linden Place; thence eastward along the north line of said West Linden Place to the west line of North Sacramento Avenue; thence north along the west line of said North Sacramento Avenue to the southwesterly line of North Milwaukee Avenue; thence southeasterly along the southwesterly line extended southeasterly of said North Milwaukee Avenue to the north line of West Fullerton Avenue, said point also being the most eastern corner of Lot 17 in the subdivision of Block 6 in George A. Seavern's Subdivision according to the plat thereof recorded July 23, 1889 as Document Number 1132552; thence westward along the north line of said West Fullerton Avenue to the east line of North Sacramento Avenue; thence continuing westward across said North Sacramento Avenue to the southeast corner of Lot 37 of Block 2 in Ingham's Subdivision according to the plat thereof recorded March 19, 1873 as Document Number 88703; thence continuing westward along the north line of West Fullerton Avenue to the most southern corner of Lot 1 in Carrie B. Gilbert's Subdivision according to the plat thereof recorded April 4, 1906 as Document Number 3841277; thence westward across North Albany Avenue to the southeast corner of Lot 40 of Block 5 in the subdivision of Lots 4 and 6 in County Clerk's Division, recorded July 7, 1885 as Document Number 637899, said point also being on the north line of West Fullerton Avenue; thence westward along the north line of said West Fullerton Avenue to the southwest corner of Lot 24 of Block 5 in aforesaid subdivision of Lots 4 and 6 in County Clerk's Division; thence westward across said North Kedzie Avenue to the southeast corner of Lot 23 of Block 7 in Hitt and Others' Subdivision of 39 acres on the east side of the east half of the southeast quarter of said Section 26; thence westward along the south line of said Lot 23 to the southwest corner of said Lot 23, said southwest corner is also on the east line of 20 feet wide public alley west of North Kedzie Avenue; thence northward along the east line of said 20 feet wide public alley to the north line (extended east) of another 16 feet wide public alley north of West Fullerton Avenue; thence westward along the north line extended west of said 16 foot wide public alley to the west line of North Sawyer Avenue; thence southward along the

5/11/2005

## REPORTS OF COMMITTEES

47417

west line of said North Sawyer Avenue to the southeast corner of Lot 2 in J. Fuerman's Subdivision of Lots 16 to 22 of Block 8 in Hitt and Others' Subdivision; thence westward along the south line of said Lot 2, 111.5 feet to a bend point in the south line of said Lot 2; thence northwesterly along the southerly line of said Lot 2 to the southeast corner of Lot 1 in aforesaid J. Fuerman's Subdivision; thence westward along the south line of said Lot 1 extended west to the west line of 16 foot wide public alley, west of North Sawyer Avenue; thence southward along the west line of said 16 foot wide public alley to the southeast corner of Lot 137 in Dezens's Logan Square Subdivision of Lot 3 in Garrett's Subdivision; thence westward along the south line of said Lot 137 to the southwest corner of said Lot 137; thence westward across North Spaulding Avenue to the southeast corner of Lot 66 in aforesaid Dezens's Logan Square Subdivision; thence westward along the south line of said Lot 66 to the southwest corner of said Lot 66; thence continuing westward across the 16 foot wide public alley west of North Spaulding Avenue to the southeast corner of Lot 53 in aforesaid Dezens's Logan Square Subdivision; thence continuing westward along the south line of said lot (extended west) to the west line of North Kimball Avenue; thence southward along the west line of said North Kimball Avenue to the north line of West Fullerton Avenue; thence continuing southward across West Fullerton Avenue to the northeast corner of Lot 1 of Block 1 in Allport's Subdivision according to the plat thereof recorded on page 185 in Book 7; thence southward along the west line of said North Kimball Avenue to the south line (extended west) of a 16 foot wide public alley (south of West Fullerton Avenue and on the east side of said North Kimball Avenue); thence eastward along the south line (extended east and west) of said 16 feet wide public alley to the east line of another 16 foot wide public alley west of North Kedzie Avenue; thence northward along said east line of 16 foot wide public alley to the northwest corner of Lot 3 of Block 1 in C. N. Shipman, W. A. Bill and N. A. Merrill's Subdivision of the east half of the northeast quarter of said Section 35; thence eastward along the north line of said Lot 3 to the northeast corner of said Lot 3; thence continuing eastward across North Kedzie Avenue to the northwest corner of Lot 6 of Block 1 in Blanchard's Subdivision of that part of the north 22 rods of the northwest quarter of said Section 36; thence eastward along the north line of said Lot 6 to the west line of a 16 foot wide public alley east of said North Kedzie Avenue, said point also being the northeast corner of said Lot 6; thence southward along the west line (extended south) of said 16 foot wide public alley to the south line of West Belden Avenue; thence eastward along the south line of said West Belden Avenue to the east line extended south of North Albany Avenue; thence northward along said (extended south) east line of North Albany Avenue to the south line of a 16 foot wide public alley south of West Fullerton Avenue; thence eastward along the south line of said 16 foot wide public alley to the east line of another 16 foot wide public alley west of North Sacramento Avenue; thence northward along the east line of said 16 foot wide public alley to the north line of the south 11.00 feet of Lot 6 in Block 2 in



aforsaid Blanchard's Subdivision; thence eastward along said north line of the south 11.00 feet of Lot 6 to the east line of said Lot 6; thence continuing eastward across said North Sacramento Avenue to the northwest corner of Lot 7 in Block 3 in the subdivision of Lots 13 and 14 in John McGovern's Subdivision according to the plat thereof recorded August 24, 1872 as Document Number 51791; thence eastward along the north line of said Lot 7 in Block 3 to the northeast corner of said Lot 7 in Block 3, said point is also on the west line of 16 foot wide public alley east of North Sacramento Avenue; thence southward along the west line of said 16 foot wide public alley extended south to the south line of West Medill Avenue; thence eastward along the south line of said West Medill Avenue to the southwesterly right-of-way line of Chicago Transit Authority Railroad, southwesterly of North Milwaukee Avenue; thence southeasterly along the southwesterly right-of-way line of said Chicago Transit Authority Railroad to the north line of West Belden Avenue; thence southward across said West Belden Avenue to the northwest corner of Lot 5 in M. Moore's Subdivision of Lot 19 in John McGovern's Subdivision according to the plat thereof recorded October 22, 1886 as Document Number 765587; thence southward along the west line of said Lot 5 to the southwest corner of said Lot 5; thence eastward along the south lines of Lots 5, 4, 3, 2 and 1 in aforesaid M. Moore's Subdivision to the southeast corner of Lot 1 in said M. Moore's Subdivision; thence southward along the east line (extended south) of said Lot 1 in M. Moore's Subdivision to the north line of Lot 28 of Block 1 in J. Johnston, Jr.'s Subdivision according to the plat thereof recorded November 28, 1881 as Document Number 361265; thence eastward along the north lines of Lots 28, 29, 30, 31, 32, 33 and 34 of Block 1 in said J. Johnston, Jr.'s Subdivision to the southwesterly right-of-way line of aforesaid Chicago Transit Authority railroad; thence southeasterly along the southwesterly right-of-way line of said Chicago Transit Authority railroad to the north line of West Lyndale Street; thence westward along the north line of said West Lyndale Street to the east line (extended north) of the west 0.11 feet of Lot 33 of Block 2 in aforesaid J. Johnston, Jr.'s Subdivision; thence southward along the east line of the west 0.11 feet of said Lot 33 of Block 2 to the north line of 16 foot wide public alley south of West Lyndale Street; thence continuing southward across said 16 foot wide public alley to the northeast corner of Lot 50 of Block 2 in aforesaid J. Johnston, Jr.'s Subdivision; thence southward along the east line (extended south) of said Lot 50 of Block 2 to the south line of West Palmer Street; thence eastward along the south line (extended east) of said West Palmer Street to the east line of 66 foot wide North California Avenue; thence northward along the east line of said North California Avenue to the southwesterly right-of-way line of Chicago Transit Authority railroad, southwesterly of North Milwaukee Avenue; thence southeasterly by following the Southwesterly right-of-way line of said Chicago Transit Authority railroad to the southeasterly line of Lot 138 in White and Cole's Resubdivision of Block 1 of S. Stave's Subdivision recorded in Book 173, page 18; thence southwesterly along the southeasterly line of said Lot 138 to the northeasterly line of North Bingham Street, said point is also the most

5/11/2005

## REPORTS OF COMMITTEES

47419

southern corner of said Lot 138; thence northwesterly along the northeasterly line of said North Bingham Street to the most southern corner of Lot 107 in said White and Cole's Resubdivision; thence southwesterly across said North Bingham Street to the most eastern corner of Lot 106 in said White and Cole's Resubdivision; thence continuing southwesterly along the southeasterly line of said Lot 106 to the northeasterly line of North Stave Street, said point is also the most southern corner of said Lot 106; thence northwesterly along the northeasterly line of said North Stave Street to the south line (extended east) of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the south line (extended east) of said public alley across said North Stave Street to the southeasterly line of Lot 12 in Gray and Adam's Subdivision of Lots 1 to 9 and 28 to 30 of Block 4 in S. Stave's Subdivision according to the plat thereof recorded August 5, 1881 as Document Number 342922; thence northeasterly along the southeasterly line of said Lot 12 to the most eastern corner of said Lot 12; thence northwesterly along the northeasterly line of said Lot 12 to the most northern corner of said Lot 12, said corner is also the most eastern corner of Lot 27 of Block 4 in S. Stave's Subdivision according to the plat thereof recorded in Book 85, page 19; thence continuing northwesterly along the northeasterly lines of Lots 27, 26, 25, 24, 23, 22, 21, 20 and 19 of Block 4 in said S. Stave's Subdivision to the southeasterly line of West Frances Place, said point also being the most northern corner of said Lot 19; thence southwesterly along the southeasterly line (extended southwesterly) of said West Frances Place to the southwesterly line of North Point Street; thence southeasterly along the southwesterly line of North Point Street to the most eastern corner of Lot 20 of Block 7 in aforesaid Attrill's Subdivision, said point is also being on the north line of a public alley north of West Armitage Avenue; thence westward along the north line of said public alley to the most southerly corner of Lot 24 of Block 7 in aforesaid Attrill's Subdivision; thence northwesterly along the southwesterly line of said Lot 24 of Block 7 to the most western corner of said Lot 24, said corner is also being on the southeasterly line of Lot 35 of Block 5 in aforementioned W. O. Cole's Subdivision; thence southwesterly along the southeasterly lines of Lots 35, 34, and 33 to the most southern corner of said Lot 33 of Block 5; thence northwesterly along the southwesterly line (extended northwesterly across West Frances Place) to the north line of said West Frances Place; thence westward along the south line of said West Frances Place to the east line of North California Avenue; thence northward along the east line of said North California Avenue to the south line (extended east) of West McLean Avenue; thence westward along the south line of said West McLean Avenue to the west line of a 13 foot wide public alley (east of North Mozart Street); thence southward along the west line of said public alley 150 feet to the north line of another public alley; thence westward along north line of said public alley to the east line of North Mozart Street; thence westward across said North Mozart Street to the southeast corner of Lot 1 of Block 11 in Hoeps and Kerff's Resubdivision of Blocks 8 and 11 in the town of Schleswig, according to the plat thereof recorded July 25, 1890 as Document Number

1307724, said corner is also being on the north line of a 17 foot wide public alley north of West Armitage Avenue; thence westward along the north line of said 17 feet wide public alley to the west line of another 16 foot wide public alley, east of North Humboldt Boulevard; thence southward along the west line of said 16 foot wide public alley to the north line of another 16 foot wide public alley, north of West Armitage Avenue; thence westward along the north line of said 16 foot wide public alley to the southwest corner of Lot 31 in Parkway Addition, a resubdivision of Lots 5 to 10, inclusive, in each of Blocks 4, 9 and 10 in the town of Schleswig and the vacated alleys and one-half of a street adjacent to said lots, et cetera, in the east half of the northwest quarter of said Section 36; thence northward along the west line of Lots 31, 30 and 29 in aforesaid Parkway Addition to the northwest corner of said Lot 29 in said Parkway Addition; thence westward across said North Humboldt Boulevard to a point of intersection of the west line of said North Humboldt Boulevard with the south line of the north half of Lot 40 in Palmer Place Addition, a subdivision of part of the southwest quarter of the northwest quarter of said Section 36; thence westward along the said south line extended west of the north half of Lot 40 to the west line of a 16 foot wide public alley east of North Whipple Street; thence southward along the west line of said public alley to the southeast corner of Lot 54 in aforesaid Palmer Place Addition; thence westward along the south line of said Lot 54 to the southwest corner of said Lot 54; thence northward along the west line of said Lot 54 to the north line extended east of a 16 foot wide public alley north of West Armitage Avenue; thence westward along said north line extended east and west of 916 foot wide public alley to the west line of North Albany Avenue; thence southward along the west line of said North Albany Avenue to the centerline of a vacated alley north of West Armitage Avenue, according to the plat of vacation thereof recorded as Document Number 20127605; thence westward along the centerline of said vacated alley to a line 129.667 feet west of and parallel with the west line of said North Albany Avenue; thence northward along said parallel line to the south line of Lot 16 of Block 3 in Clarkson's Subdivision of part of the southwest quarter of the northwest quarter of said Section 36; thence westward along the south line of said Lot 16 extended west to the centerline of a 16 foot wide vacated alley east of North Kedzie Avenue; thence northward along the centerline extended north of said vacated alley to the south line extended east of Lot 19 in the plat of the west 10 acres of the west 30 acres of the south 91.7 acres of the northwest quarter of said Section 36; thence westward along said south line extended east of Lot 19 to the southwest corner of said Lot 19; thence continuing westward across North Kedzie Avenue to the northeast corner of Lot 4 of Block 1 in Ovitt's Resubdivision of Block 12 of Shipman, Bill and Merrill's Subdivision in the east half of the northeast quarter of said Section 35; thence southward along the east line of Lots 4, 5 and 6 of said Block 1 to the southeast corner of said Lot 6; thence westward along the south line of said Lot 6 to the southwest corner of said Lot 6; thence northward along the west line of said Lot 6 to the north line extended east of a 14 foot wide public alley north of West Armitage Avenue; thence westward along the north line extended

5/11/2005

## REPORTS OF COMMITTEES

47421

east and west of said 14 foot wide public alley to the west line of another 14 foot wide public alley east of North Sawyer Avenue; thence southward along the said west line of a 14 foot wide public alley to the north line of another 14 foot wide public alley north of West Armitage Avenue; thence westward along the north line of said 14 foot wide public alley to the east line of North Sawyer Avenue; thence northward along the east line of said North Sawyer Avenue to the north line extended east of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the north line (extended east) of said 16 foot wide public alley to the west line of North Spaulding Avenue; thence southward along the west line of said North Spaulding Avenue to the north line of West Armitage Avenue; thence westward along the north line of said West Armitage Avenue to the east line of North Kimball Avenue; thence northward along the east line of said North Kimball Avenue to the north line of a 16 foot wide public alley north of said Armitage Avenue; thence westward along the north line (extended west) of said public alley to the west line of North Kimball Avenue; thence south along the west line of said North Kimball Avenue to the north line of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the north line of said 16 foot wide alley to the east line of North St. Louis Avenue; thence westward across North St. Louis Avenue to the southeast corner of Lot 61 in the subdivision of the south quarter of the west one-third of the northeast quarter of said Section 35, said point also is on the north line of a 16 foot wide public alley north of West Armitage Avenue; thence westward along the north line (extended west) of said 16 foot wide public alley to the west line of North Drake Avenue; thence southward along the west line of said North Drake Avenue to the north line of West Armitage Avenue; thence westward along the north line of said West Armitage Avenue to the east line of North Central Park Avenue; thence northward along the east line of said North Central Park Avenue to the north line of West Mclean Avenue; thence westward along the north line of said West Mclean Avenue to the west line (extended north) of the east 9 feet of Lot 58 of Block 8 in Jackson's Subdivision of Blocks 7 and 8 of Hambleton's Subdivision in the east half of the northwest quarter of said Section 35; thence southward along the said west line (extended north) of the said east 9 feet to the north line of a 16 foot wide vacated public alley north of said West Armitage Avenue; thence westward along the north line of said public alley to the east line extended north of Lot 90 of Block 7 in said Jackson's Subdivision; thence southward along the east of said Lot 90 to the north line of West Armitage Avenue; thence westward along the north line of said West Armitage Avenue to the west line (extended north) of North Ridgeway Avenue; thence southward across West Armitage Avenue along the west line of said North Ridgeway Avenue extended north to the south line of a 16 foot wide public alley south of said West Armitage Avenue; thence eastward along said south line extended east to the west line of North Lawndale Avenue; thence eastward across said North Lawndale Avenue to the northwest corner of Lot 12 of Block 2 in S. Delamater's Subdivision according to the plat thereof recorded August 1, 1885 as Document Number 643538, said point is also on the south line of a 16 foot wide public alley; thence eastward

along the south line of said 16 foot wide public alley to the west line of North Central Park Avenue; thence southward along the west line of said North Central Park Avenue to the south line extended west of a 16 foot wide public alley south of West Armitage Avenue; thence continuing eastward along the south line extended west of said 16 foot wide public alley to the west line of North Kimball Avenue; thence eastward across said North Kimball Avenue to the northwest corner of Lot 16 in Winkelman's Subdivision of Block 3 of E. Simon's Subdivision according to the plat thereof recorded on February 15, 1899 as Document Number 2785137, said point is also on the south line of a 16 foot wide public alley; thence eastward along the south line of said 16 foot wide public alley to the west line of North Spaulding Avenue; thence eastward across said North Spaulding Avenue to the northwest corner of Lot 16 of Block 2 in Winkelman's Subdivision of part of Blocks 2 and 11 of E. Simon's Subdivision according to the plat thereof recorded September 5, 1888 as Document Number 1000737, said point is also on the south line of a 16 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said 16 foot wide public alley to the west line of North Kedzie Avenue; thence eastward across said North Kedzie Avenue to the northwest corner of Lot 16 of Block 1 in Nils F. Olson's Subdivision according to the plat thereof recorded January 14, 1887 as Document Number 790005, said corner is also on the south line of a 14 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said 14 foot wide public alley to the northeast corner of Lot 6 of Block 1 in S. Delamater's Subdivision according to the plat thereof recorded on February 5, 1884 as Document Number 523563; thence southward along the east line of said Lot 6 to the south line (extended west) of a 16 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said 16 foot wide public alley to the west line of North Whipple Street; thence eastward across North Whipple Street to the northwest corner of Lot 42 of Block 1 in Alva Trowbridge and Others' Subdivision according to the plat thereof recorded August 1, 1872 as Document Number 51139; thence eastward along the north line of said Lot 42 of Block 1 to the northeast corner of said Lot 42; thence eastward to the northwest corner of Lot 7 of Block 1 in said Alva Trowbridge and Others' Subdivision; thence eastward along the north line of said Lot 7 of Block 1 to its northeast corner; thence eastward across North Humboldt Boulevard along the north line extended east of said Lot 7 to the east line of said North Humboldt Boulevard; thence northward along the east line of said North Humboldt Boulevard to the south line of Lot 24 of Block 4 in Hansbrough and Hess Subdivision of the east half of the southwest quarter of said Section 36; thence eastward along the south line of said Lot 24 to its southeast corner; thence continuing eastward across the 14 foot wide public alley to the southwest corner of Lot 1 of Block 4 in said Hansbrough and Hess Subdivision; thence eastward along the south line of said Lot 1 of Block 4 to its southeast corner, said corner is also on the west line of North Richmond Street; thence southward along the west line of said North Richmond Street to the north line (extended west) of Lot 22 of Block 3 in said Hansbrough and Hess

5/11/2005

## REPORTS OF COMMITTEES

47423

Subdivision; thence eastward along said north line extended west to the northeast corner of said Lot 22 of Block 3; thence continuing eastward along said north line (extended east) to the east line of a 14 foot wide public alley west of North Francisco Avenue; thence northward along the east line of said alley to the north line of the south half of Lot 2 of Block 3 in said Hansbrough and Hess Subdivision; thence eastward along the said north line of the south half of Lot 2 of Block 3 to the west line of North Francisco Avenue; thence continuing east along said north line (extended east) of the south half of Lot 2 to the west line of a 14 foot wide public alley east of North Francisco Avenue; thence southward along the west line of said 14 feet wide public alley to the most north line (extended west) of Lot 3 of Block 2 in said Hansbrough and Hess Subdivision; thence eastward along the said most north line extended west to the northwest corner of said Lot 3 of Block 2; thence eastward along said most north line 25.05 feet; thence southward along a line parallel to North Mozart Street 4.5 feet; thence eastward along the north line (extended east) of said Lot 3 of Block 2 to the east line of North Mozart Street; thence northward along the east line of said North Mozart Street to the southwest corner of Lot 24 of Block 1 in said Hansbrough and Hess Subdivision; thence eastward along the south line of said Lot 24 of Block 1 to the west line of a 14 foot wide public alley west of North California Avenue; thence southward along the west line of said 14 foot wide public alley to the north line (extended west) of the south half of Lot 3 of Block 1 in said Hansbrough and Hess Subdivision; thence eastward along said north line (extended west) of the south half of Lot 3 of Block 1 to the west line of North California Avenue; thence eastward across said North California Avenue to the northwest corner of Lot 11 of Block 2 in Edgar M. Snow and Company's Subdivision according to the plat thereof recorded on March 23, 1901 as Document Number 3077922, said corner also lies on the south line of a 16 foot wide alley south of West Armitage Avenue; thence eastward along the south line (extended east) of said 16 foot wide public alley to the east line of North Fairfield Avenue; thence northward along the east line of said North Fairfield Avenue to the south line of West Armitage Avenue; thence eastward along the south line of said West Armitage Avenue to the west line of North Washtenaw Avenue; thence southward along the west line of said North Washtenaw Avenue to the south line (extended west) of a 16 foot wide public alley south of West Armitage Avenue; thence eastward along the south line of said public alley to the west line of North Rockwell Street; thence southward along the west line of said North Rockwell Street to the south line of West Homer Street; thence eastward along the south line (extended east) of said West Homer Street to the northeast corner of Lot 7 in the subdivision of Lots 11 to 25 of Subblock 2 of B. F. Jacobs Subdivision; thence southward along the east line extended south of said Lot 7 to the south line of a 16 foot wide public alley south of West Homer Street; thence eastward along the south line of said 16 foot public alley to the northeast corner of Lot 41 in B. F. Jacobs Subdivision of Block 2 of Johnston's Subdivision; thence southward along the east line of said Lot 41 to the north line of West Cortland Street; thence eastward along the north line of said

West Cortland Street to the east line of the west 72 feet of Lot 67 in Johnston's Subdivision of Block 1 of Johnston's Subdivision in the east half of the southeast quarter of said Section 36; thence northward along said east line of the west 72 feet extended north to the north line of a 16 foot wide public alley north of West Cortland Street; thence westward along the north line of said 16 foot wide public alley to the east line of North Campbell Avenue; thence northward along the east of said North Campbell Avenue and across West Homer Street to the north line of said West Homer Street; thence westward along the north line extended east/west of said West Homer Street to a line 167 feet west of and parallel with the west line of said North Campbell Avenue; thence northward along said parallel line a distance of 53 feet; thence eastward along a line 53 feet north of and parallel with the north line 66 feet wide of said West Homer Street, 167 feet to the west line of said North Campbell Avenue; thence northward along the west line of said North Campbell Avenue to the south line (extended west) of Lot 16 in Johnston's Subdivision of Block 1 of Johnston's Subdivision according to the plat thereof recorded on July 18, 1881 as Document Number 338117; thence eastward along said south line (extended west) to the southwest corner of said Lot 16; thence eastward along the south lines of Lots 16, 15, 14, 13 and 12 in said Johnston's Subdivision to the southeast corner of said Lot 12; thence in a northeasterly direction to the southeast corner of Lot 1 in P. Bandow's Resubdivision of Lots 3, 4 and the northwest half of Lot 5 in Block 1 of Johnston's Subdivision, according to the plat thereof recorded on April 16, 1885 as Document Number 6168851, said corner also lies on the northeasterly line of a 10 foot wide public alley; thence southeasterly along the northeasterly line (extended southeasterly) of said 10 foot wide public alley to the south line of aforesaid West Homer Street; thence eastward along the south line of said West Homer Street to the west line of North Western Avenue as widened, said point is also 50 feet west of the east line of the east half of the southeast quarter of said Section 36; thence northward along the west line of said North Western Avenue to the northeast line of 66 foot wide North Milwaukee Avenue; thence northwesterly along northeasterly line of said North Milwaukee Avenue to the south line of West Armitage Avenue; thence eastward along the south line of said West Armitage Avenue to the west line (extended south) of Lot 36 in Powell's Subdivision of Lot 8 in Circuit Court Partition according to the plat thereof recorded on September 5, 1884 as Document Number 572044; thence northward across West Armitage Avenue to the southwest corner of said Lot 36; thence northward along said west line of said Lot 36 and along the east line of a 14 foot wide public alley to the north line (extended east) of another 14 foot wide public alley south of West McLean Avenue; thence westward along the north line (extended east and west) of said 14 foot wide public alley to the east line (extended south) of another 14 foot wide public alley east of North Campbell Avenue; thence northward along the east line (extended south) of said 14 foot wide public alley to the north line (extended east) of a 9 foot wide public alley south of West McLean Avenue; thence westward along the north line (extended east) of said 9 foot wide public alley to the east

5/11/2005

## REPORTS OF COMMITTEES

47425

line of North Campbell Avenue; thence northward along the east line of said North Campbell Avenue to the south line (extended east) of Lot 6 in Owner's Subdivision according to the plat recorded November 24, 1913 as Document Number 5311027; thence westward across said North Campbell Avenue along the south line (extended east) of said Lot 6 to the southwest corner of said Lot 6; thence northward along the west lines of Lots 6, 5, 4 and 3 in said Owner's Subdivision to the northwest corner of said Lot 3; thence northeasterly along the westerly lines of Lots 2 and 1 in said Owner's Subdivision to the northwest corner of said Lot 1; thence northward along the west line of Lot 104 in V. Wood Subdivision, according to the plat thereof recorded May 10, 1877 as Document Number 134226 to the north line (extended east) of a 16 foot wide public alley south of West Charleston Street; thence westward along the north line (extended east) of said 16 foot wide public alley to the southwest corner of Lot 56 in said V. Wood's Subdivision; thence northward along the west line (extended north) of said Lot 56 to the north line of West Charleston Street; thence west along the north line of said West Charleston Street to the east line of North Maplewood Avenue; thence southwesterly across said North Maplewood Avenue to the southwest corner of Lot 18 in said V. Wood's Subdivision; thence westward along the south line of said Lot 18 to the southwest corner of said Lot 18; thence northward along the west lines of Lots 17, 16, 15, 14, 13 and 12 in said V. Wood's Subdivision to a line 7 feet south of and parallel with the south line (extended east) of Lot 15 in Herman Papsien's Subdivision according to the plat thereof recorded December 17, 1900 as Document Number 3044716; thence westward along said parallel line 10 feet; thence northward 7 feet to the southeast corner of said Lot 15; thence westward along the south line of said Lot 15 to the southwest corner of said Lot 15; thence northward along the lines of Lots 15, 14, 13, 12 and 11 in said Herman Papsien's Subdivision to the northwest corner of said Lot 11; thence continuing northward along the west line (extended north) of said Lot 11 to the southwest corner of Lot 10 in said Herman Papsien's Subdivision; thence westward along the south line (extended west) of said Lot 10 to the southeast corner of Lot 13 in James M. Allen's Subdivision according to the plat thereof recorded April 11, 1882 as Document Number 386837; thence westward along the south line of said Lot 13 to the southwest corner of said Lot 13, said corner is also on the east line of North Rockwell Street; thence southward along the east line of said North Rockwell Street to the southwesterly line (extended southeasterly) of Lot 2 in Powell's Subdivision according to the plat thereof recorded on page 93 of Book 6; thence northwesterly across said North Rockwell Street along said southwesterly line (extended southeasterly) of said Lot 2 to the most southern corner of said Lot 2; thence northwesterly along the southwesterly lines (extended northwesterly) of Lots 2 and 1 in said Powell's Subdivision to the south line of Lot 11 in Gray's Subdivision according to the plat thereof recorded on page 55 of Book 85; thence westward along the south line of said Lot 11 to the southwest corner of said Lot 11, said corner lies on the east line of North Talman Avenue; thence northward along the east line of said North Talman



Avenue to the southwesterly line (extended southeasterly) of Lot 32 of Block 4 in C. E. Woosley's Subdivision according to the plat thereof recorded on May 23, 1881 on page 5 of Book 16; thence northwesterly along the southwesterly line (extended southeasterly) of said Lot 32 of Block 4 to the most southern corner of said Lot 32, said corner also lies on the northeasterly line of a 20 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 20 foot wide public alley to the east line of another 14 foot wide public alley west of said North Talman Avenue; thence northward along the east line (extended north) of said 14 foot wide public alley to the north line of West Lyndale Street; thence westward along the north line of said West Lyndale Street to the east line of North Washtenaw Avenue; thence northward along the east line of said North Washtenaw Avenue to the north line of West Belden Avenue; thence westward along the north line (extended west) of said West Belden Avenue to a bend point which lies on the southeasterly line of Lot 23 of Block 2 in Snowhook's Subdivision according to the plat thereof recorded August 22, 1884 as Document Number 569245; thence southwesterly along the northwesterly line of said West Belden Avenue, said line also is the southeasterly lines of Lots 23 and 24 of Block 2 in said Snowhook's Subdivision to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line extended northwesterly of said North Milwaukee Avenue to the west line of North California Avenue; thence northward along the west line of said North California Avenue to the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly following along the northeasterly, east, northeasterly, north, northeasterly and east line of said 16 foot wide public alley to the south line of West Fullerton Avenue, said point also being the northwest corner of Lot 14 of Block 4 in Snowhook's Subdivision; thence westward along the south line of said West Fullerton Avenue to the east line (extended south) of North Francisco Avenue; thence northward across said West Fullerton Avenue along the east line (extended south) of said North Francisco Avenue to the north line of a 16 foot wide public alley north of said West Fullerton Avenue; thence westward across said North Francisco Avenue along the north line (extended west) of said 16 foot wide public alley to the southeast corner of Lot 27 of Block 7 in George A. Seavern's Subdivision according to the plat thereof recorded May 10, 1886 as Document Number 716003; thence westward along the south line of said Lot 27 of Block 7 to the southwest corner of said Lot 27 of Block 7, said corner also lies on the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 16 foot wide public alley to the southwest corner of Lot 11 of said Block 7; thence continuing northwesterly to the most southern corner of Lot 15 of Block 5 in said George A. Seavern's Subdivision; thence continuing northwesterly along the southwesterly lines of Lots 15, 16, 17 and 18 of said Block 5 to a line 8 feet south of and parallel with the south line of Lot 4 of Block 5 in said George A. Seavern's Subdivision; thence westward along said parallel line to the east line of Lot 1 in resubdivision of Lots 5 and 6 of Block 5 in said George A.

5/11/2005

## REPORTS OF COMMITTEES

47427

Seavern's Subdivision; thence northward along the east line of said Lot 1 to the northeast corner of said Lot 1; thence westward along the north line of said Lot 1 to the east line of North Sacramento Avenue; thence northward along the east line of said North Sacramento Avenue to the northwest corner of Lot 1 of Block 5 in aforesaid George A. Seavern's Subdivision; thence in a northwesterly direction across said North Sacramento Avenue to the most southern corner of Lot 1 of Block 2 in Storey and Allen's Milwaukee Avenue Addition to Chicago according to the plat thereof recorded February 9, 1872 as Document Number 12639; thence northwesterly along the southwesterly lines of Lots 1 and 3 of said Block 2 to the most westerly corner of said Lot 3; thence northeasterly along the northwesterly line (extended northeasterly) of said Lot 3 of Block 2 to the northeasterly line (extended southeasterly) of North Willetts Court; thence northwesterly along the northeasterly line (extended southeasterly) of said North Willetts Court to the southeasterly line of Lot 1 in Logan Square Addition to Chicago according to the plat thereof recorded November 10, 1881 as Document Number 358316; thence southwesterly along the southeasterly lines of Lots 1 and 2 in said Logan Square Addition to Chicago to the southeast corner of Lot 3 in said Logan Square Addition to Chicago; thence westward along the south line of said Lot 3 to the southwest corner of said Lot 3; thence southwesterly along the southeasterly line of Lot 4 in said Logan Square Addition to Chicago to the southwest corner of said Lot 4; thence westward along the south lines of Lots 5, 6, 7, 8, 9, 10 and 11 to the southwest corner of said Lot 11; thence northwesterly along the southwesterly lines of Lots 12, 13 and 14 in said Logan Square Addition to Chicago to the southwest corner of said Lot 14; thence northward along the west line (extended north) of said Lot 14 to the north line of 250 foot wide West Logan Boulevard; thence westward along the north line of said West Logan Boulevard to the southwest corner of Lot 20 of Block 4 in subdivision of Blocks 1, 2, 3 and 4 in Lot 1 in County Clerk's Division according to the plat thereof recorded December 12, 1894 as Document Number 2146603; thence northward along the west line of said Lot 20 to the southeast corner of Lot 21 of said Block 4; thence westward along the south lines of Lots 21, 22, 23 and 24 of said Block 4 to the southwest corner of said Lot 24 of Block 4; thence westward along the prolongation of the last described course to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said North Milwaukee Avenue to the east line of North Kedzie Avenue; thence northward along the east line of said North Kedzie Avenue to the north line of West Schubert Avenue; thence continuing in a northwesterly direction across said North Kedzie Avenue to the most southern corner of Lot 7 of Block 1 in Hitt and Others' Subdivision of 39 acres on the east side of the east half of the southeast quarter of said Section 26, said corner also lies on the northeasterly line of North Emmet Street; thence northwesterly along the northeasterly line (extended northwesterly) of said North Emmet Street to the northwesterly line of North Sawyer Avenue; thence southwesterly along the northwesterly line of said North Sawyer Avenue to the northeasterly line of a 16 foot wide public

alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 16 foot wide public alley to the most western corner of Lot 1 of Block 4 in Milwaukee and Diversey Subdivision according to the plat thereof recorded March 29, 1924 as Document Number 8339078; thence northeasterly along the northwesterly (extended northeasterly) line of said Lot 1 of Block 4 to the north line of 66 foot wide West Diversey Avenue; thence westward along the north line of said West Diversey Avenue to the east line of North Christiana Avenue; thence northward along the east line of said North Christiana Avenue to the south line (extended east) of Lot 15 of Block 4 in Henry Wisner's Subdivision of Lots 8 and 9 of Brand's Subdivision in the east half of the northeast quarter of said Section 26; thence westward along the south line (extended east) of said Lot 15 of Block 4 to the southwest corner of said Lot 15, said corner also lies on north line of a 14 foot wide public alley north of said West Diversey Avenue; thence continuing westward along the prolongation of the last described course to a bend point in said 14 foot wide alley, said bend point is also the southwest corner of Lot 31 of Block 4 in said Henry Wisner's Subdivision; thence northwesterly along the southwesterly line of said Lot 31 to the most westerly corner of said Lot 31, said corner also lies on the southeasterly line of North Woodward Street; thence northeasterly along the southeasterly line of said North Woodward Street to the southwesterly line (extended southeasterly) of Lot 42 in Storey and Allen's Subdivision of Lot 10 in Brand's Subdivision in the east half of the northeast quarter of said Section 26; thence northwesterly along the southwesterly line (extended southeasterly) of said Lot 42 to the east line of North Kimball Avenue; thence northward along the east line of said North Kimball Avenue to the northwesterly line of North Dawson Avenue; thence southwesterly along the northwesterly line (extended southwesterly) of said North Dawson Avenue to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said North Milwaukee Avenue to the southeasterly line of North Allen Avenue; thence northeasterly along the southeasterly line of said North Allen Avenue to the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said 16 foot wide public alley to the most western corner of Lot 60 of Block 2 in Albert Wisner's Subdivision of Lots 13 and 14 in Brand's Subdivision in the west half of the northeast quarter of said Section 26; thence in northwesterly direction across North Elbridge Avenue to the southeast corner of Lot 26 of Block 4 in said Albert Wisner's Subdivision; thence westward along the south line of said Lot 26 of Block 4 to the southwest corner of said Lot 26; thence northward along the west lines of Lots 26 and 25 of said Block 4 to the most northern corner of said Lot 25; thence northwesterly along the southwesterly line of Lot 24 in said Block 4 to the most western corner of said Lot 24; thence westward along the north lines of Lots 27, 28 and 29 in said Block 4 to the northwest corner of said Lot 29, said corner also lies on the east line of North Central Park Avenue; thence northward along the east line of said North Central Park Avenue to the south line (extended east) of Lot 59 in Heafield's Subdivision of Lot 1 in

5/11/2005

## REPORTS OF COMMITTEES

47429

Davlin, Kelly and Carroll's Subdivision in the east half of the northwest quarter of said Section 26; thence westward along the south line (extended east) of said Lot 59 to the southwest corner of said Lot 59; thence northward along the west line of said Lot 59 to the northwest corner of said Lot 59; thence westward along the south line (extended east) of Lot 45 in said Heafield's Subdivision to the east line of North Monticello Avenue; thence northward along the east line of said North Monticello Avenue to the southwesterly line (extended southeasterly) of Lot 33 in Haentze and Wheeler's Subdivision, according to the plat thereof recorded July 15, 1902 as Document Number 3270736; thence northwesterly along the southwesterly line (extended southeasterly) of said Lot 33 to the most southern corner of said Lot 33, said corner also lies on the west line of said North Monticello Avenue; thence southward along the west line of said North Monticello Avenue to the northeasterly line of North Milwaukee Avenue; thence northwesterly along the northeasterly line of said North Milwaukee Avenue to the southeasterly line of North Lawndale Avenue; thence northeasterly along the southeasterly line of said North Lawndale Avenue to the east line (extended south) of said North Lawndale Avenue; thence northward along east line of said North Lawndale Avenue to the southwest corner of Lot 23 in Heafield's Subdivision of the west 5 acres of Lot 2 in Davlin, Kelly and Carroll's Subdivision according to the plat thereof recorded March 18, 1902 as Document Number 3218672; thence in a northwesterly direction across said North Lawndale Avenue to the most southern corner of Lot 30 in said Heafield's Subdivision of west 5 acres of Lot 2 in Davlin, Kelly and Carroll's Subdivision; thence continuing northwesterly along the southwesterly line (extended northwesterly) of said Lot 30 to the south line of Lot 22 of Block 1 in Heinemann and Gross' Subdivision of part of Lot 3 in Davlin, Kelly and Carroll's Subdivision according to the plat thereof recorded July 14, 1909 as Document Number 4406409; thence westward along the south line of said Lot 22 of Block 1 to the east line of North Ridgeway Avenue; thence northward the along the east line of said North Ridgeway Avenue to the southwesterly line (extended southeasterly) of Lot 27 of Block 2 in said Heinemann and Gross' Subdivision; thence northwesterly along the southwesterly line (extended southeasterly and northwesterly) of said Lot 27 of Block 2 to the south line of Lot 17 of said Block 2; thence westward along the south line of said Lot 17 of Block 2 to the east line of North Hamlin Avenue; thence northward along the east line of said North Hamlin Avenue to the south line (extended east) of Lot 11 in Wm. J. Sweeney's Subdivision of Lot 6 in Circuit Court Common Division in the west half of the southwest quarter of said Section 23; thence westward along the south line (extended east and west) to the southwest corner of Lot 1 in said Wm. J. Sweeney's Subdivision; thence northwesterly along the southwesterly line (extended northwesterly) of said Lot 1 to the east line of North Avers Avenue; thence westward across said North Avers Avenue along the a line parallel with the south line of said Lot 1 to the west line of 66 foot wide North Avers Avenue; thence northward along the west line of said North Avers Avenue to the north line of a 16 foot wide public alley, south of West School Street; thence westward

47430

JOURNAL--CITY COUNCIL--CHICAGO

5/11/2005

along the north line of said 16 foot wide public alley to the east line of North Springfield Avenue; thence southward along the east line of said North Springfield Avenue to the northeasterly line of a 16 foot wide public alley northeasterly of North Milwaukee Avenue; thence northwesterly along the northeasterly line (extended northwesterly) of said 16 foot wide public alley to the northwesterly line (extended northeasterly) of said North Springfield Avenue; thence southwestward along the northwesterly line (extended northeasterly) of said North Springfield Avenue to the northeasterly line of 66 foot wide North Milwaukee Avenue; thence northwesterly along the northeasterly line (extended northwesterly) of said North Milwaukee Avenue to the north line of said West School Street; thence westward along the north line (extended west) of said West School Street to the west line of North Pulaski Road; thence southward along the west line of said North Pulaski Road to the north line of West Melrose Street; thence westward along the north line of said West Melrose Street to the east line (extended north and south) of a 16 foot wide public alley, west of North Pulaski Road; thence southward along the east line (extended north and south) of said 16 foot wide public alley to the south line of 66 foot wide West Belmont Avenue; thence eastward along the south line of said West Belmont Avenue to the west line of a 66 foot wide North Pulaski Road; thence southward along the west line of said North Pulaski Road to a line 133 feet south of and parallel with south line of said West Belmont Avenue; thence eastward along the said parallel line across said North Pulaski Road, 66 feet to the point of beginning, all aforesaid legal description hereby written on this thirtieth day of November 1999, all in Cook County, Illinois.

Parcel 2:

That part of Sections 22, 23, 26 and 27, Township 40 North, Range 13, East of the Third Principal Meridian, in the City of Chicago, Cook County, Illinois, more particularly described as follows:

commencing at the northwest corner of the northwest quarter of aforesaid Section 26 (intersection of the centerlines of West Belmont Avenue and North Pulaski Road); thence southward along the west line of said northwest quarter of Section 26, 166.00 feet, more or less, to the centerline of a 16 foot wide public alley 932 extended west (south of West Belmont Avenue); thence eastward along the said centerline of a vacated alley, 33 feet to the east line of said North Pulaski Road for the point of beginning; thence eastward along the centerline of said vacated alley to the west line of North Springfield Avenue; thence south along the said west line of North Springfield Avenue 8.00 feet to the northeast corner of Lot 35 in Chas. Seeger's Subdivision of Lot 1 of Haussen and Seeger's Addition according to the plat thereof recorded March 26, 1912 as Document

5/11/2005

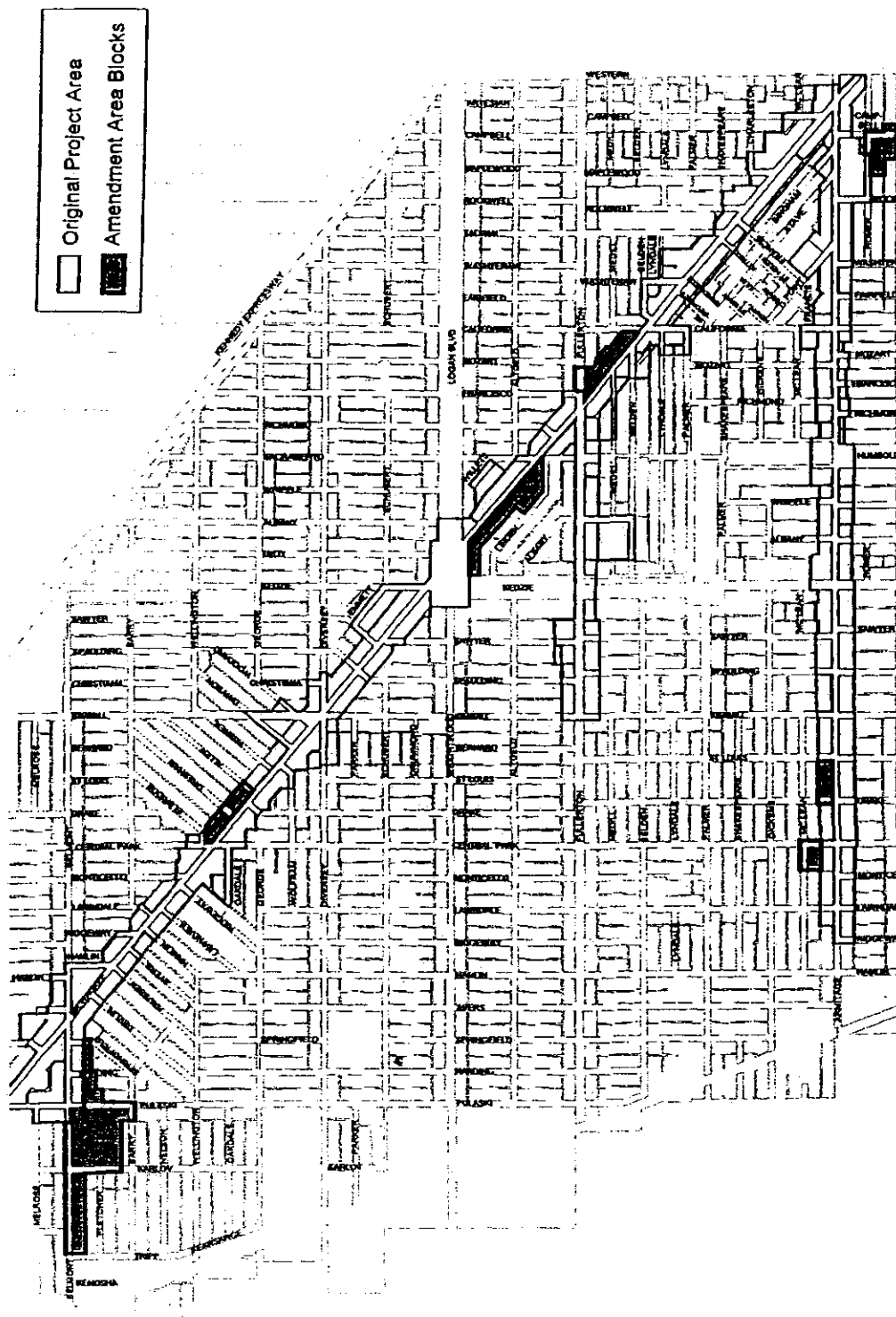
## REPORTS OF COMMITTEES

47431

Number 23771; thence eastward across said North Springfield Avenue to the northwest corner of Lot 11 in aforesaid Chas. Seeger's Subdivision; thence southward along the east line of said North Springfield Avenue to the south line extended east of Lot 34 in said Chas. Seeger's Subdivision; thence westward along the south line extended east of said Lot 34 to the southwest corner of said Lot 34; thence westward across a 16 foot wide public alley to the southeast corner of Lot 47 in said Chas. Seeger's Subdivision; thence westward along the south line of said Lot 47 to the east line of North Harding Avenue; thence southward along the east line of said North Harding Avenue to the south line extended east of a 16 foot wide public alley north of West Barry Avenue; thence westward along the south line extended east of said 16 foot wide public alley to the east line of another 16 foot wide public alley west of said North Harding Avenue; thence southward along the east line of said public alley to the south line extended east of another 16 foot wide public alley north of West Barry Avenue; thence westward along the south line extended east of said 16 foot wide public alley to the east line of North Pulaski Road; thence southward along the east line of said North Pulaski Road to the south line of said West Barry Avenue; thence westward along the south line extended east of said West Barry Avenue to the east line of a 16 foot wide public alley west of said North Pulaski Road; thence northward across said West Barry Avenue to the southeast corner of Lot 4 in Collins and Gauntlett's 40<sup>th</sup> Avenue and Noble Avenue Addition to Chicago in the east half of the northeast quarter of said Section 27; thence northward along the east line of said Lot 4 to its northeast corner; thence westward along the north line of said Collins and Gauntlett's 40<sup>th</sup> Avenue and Noble Avenue Addition to Chicago to the west line of North Karlov Avenue; thence northward along the west line of said North Karlov Avenue to the south line of a 16 foot wide public alley south of West Belmont Avenue; thence westward along the south line of said 16 foot wide public alley to the east line of North Tripp Avenue; thence northward along the east line extended north of said North Tripp Avenue to the north line of West Belmont Avenue; thence eastward along the north line of said West Belmont Avenue to the east line of a 16 foot wide public alley west of North Pulaski Road; thence southward along the east line, extended south, of said 16 foot wide public alley to the south line of said West Belmont Avenue; thence eastward along the south line of said south line of West Belmont Avenue to the west line of a 66 foot wide North Pulaski Road; thence southward along the west line of said North Pulaski Road to a line 133 feet south of and parallel with the south line of said West Belmont Avenue; thence eastward across North Pulaski Road along the said parallel line a distance of 66 feet to the point of beginning, all aforesaid legal description hereby written on this twentieth day of December 2004, all in Cook County, Illinois.

Figure A-8.  
(To Amendment Number 1 To Fullerton/Milwaukee Redevelopment  
Plan And Project Eligibility Study)

*Amendment Area Boundaries.*



### LEGAL DESCRIPTION OF THE PROPERTY

The Land is 125,542 square feet in size, exclusive of any portion of the Land lying in the bed of any road, street, avenue, lane, highway or other opened, dedicated or proposed right-of-way.

#### PARCEL A:

Lots 34 to 47, both inclusive (except that part of Lots 34 and 47 dedicated for public alley) in Charles Seegers' Subdivision of Lot 1 of Haussen and Seegers' Subdivision of Lots 4, 5 and 14 in Davlin, Kelley and Carroll's Subdivision of the Northwest 1/4 of Section 26, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois;

ALSO,

Lots 67 to 88, inclusive (except that part of Lots 67 and 88 dedicated for public alley) in Charles Seegers' Subdivision of Lot 1 of Haussen and Seegers' Subdivision of Lots 4, 5 and 14 in Davlin, Kelley and Carroll's Subdivision of the Northwest 1/4 of Section 26, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

#### PARCEL B:

The vacated alleys vacated by Document Number 12634861 described as lying South of the South line of Lots 71 to 80 inclusive and lying North of the North line of Lots 70 and 81 and lying West of the North line of the South 16 feet of Lot 67 and West of Lots 68 to 70 inclusive in Charles Seegers' Subdivision aforesaid, in Cook County, Illinois.

#### PARCEL C:

That part of vacated alleys lying South of Lots 36 to 45 inclusive and North of Lots 46 and 35 and East of Lots 46 and part of Lot 47 and West of Lot 35 and part of Lot 34 in Charles Seegers' Subdivision aforesaid vacated by Ordinance recorded as Document Number 13319172, in Cook County, Illinois.

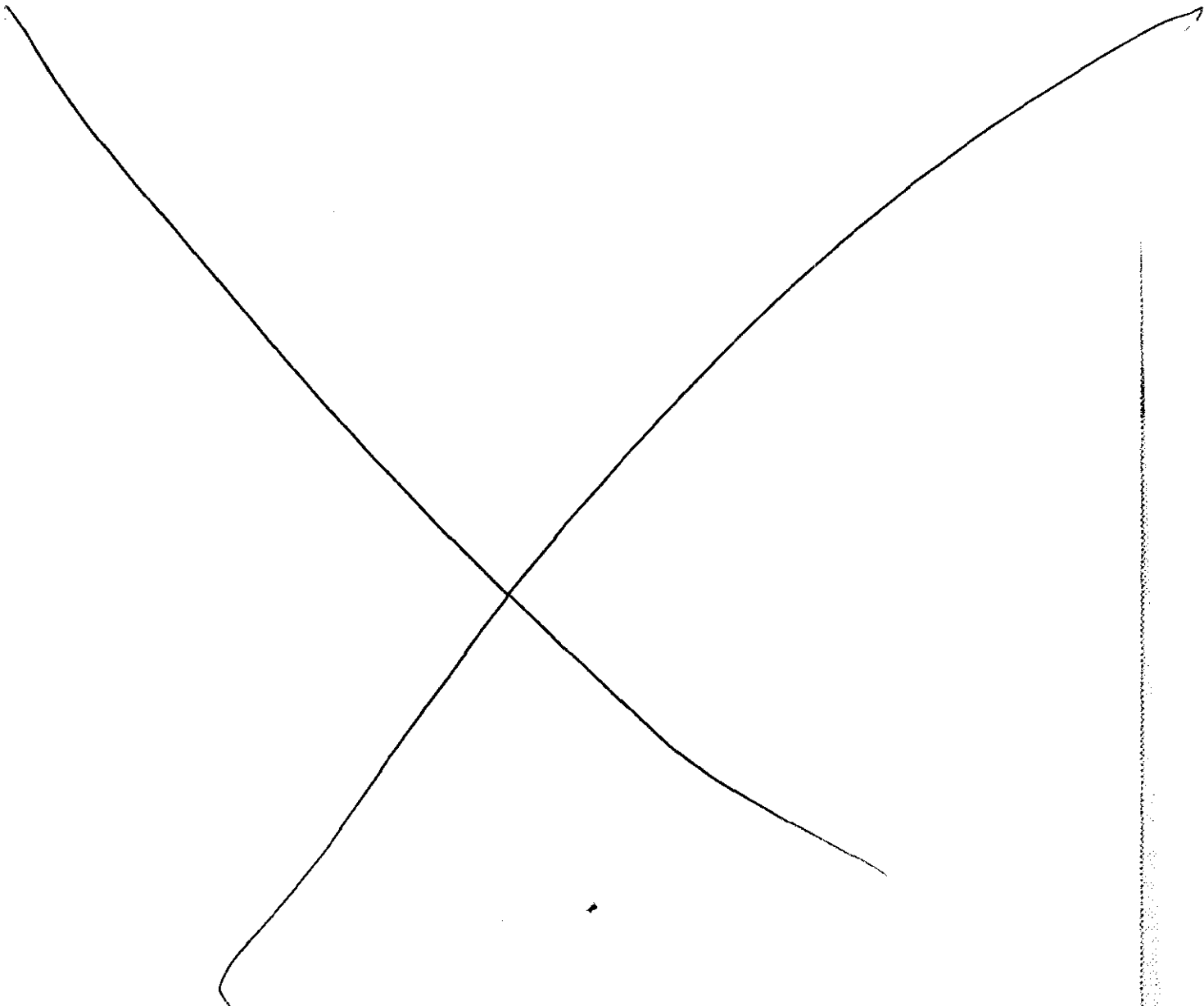
Tax or parcel identification number(s):	13-26-101-001-0000
	13-26-101-002-0000
	13-26-101-003-0000
	13-26-101-012-0000
	13-26-101-013-0000
	13-26-101-001-0000
	13-26-100-002-0000
	13-26-100-012-0000



13-26-100-013-0000  
13-26-100-014-0000  
13-26-100-015-0000  
13-26-100-026-0000

Governmental jurisdictions and address:

3963 West Belmont Avenue  
3927 West Belmont Avenue  
Chicago, Illinois



## EXHIBIT C

## TIF-FUNDED IMPROVEMENTS

<u>Description</u>	<u>Amount</u>
Site Acquisition	\$ 7,975,000
Demolition	\$ 1,050,000
Environmental Remediation	\$ 250,000
Rehabilitation Hard Costs	\$32,372,093
Financing Costs (construction interest)	\$ 3,750,000
Professional fees (architect, engineers, And environmental only)	<u>\$ 815,000</u>
<b>Total Costs Eligible for TIF reimbursement</b>	<b>\$ 46,212,093</b>

Note that the total amount of TIF assistance provided to the Developer is limited to a maximum amount of \$8,500,000 but may be reduced in accordance with the terms set forth in the redevelopment agreement.

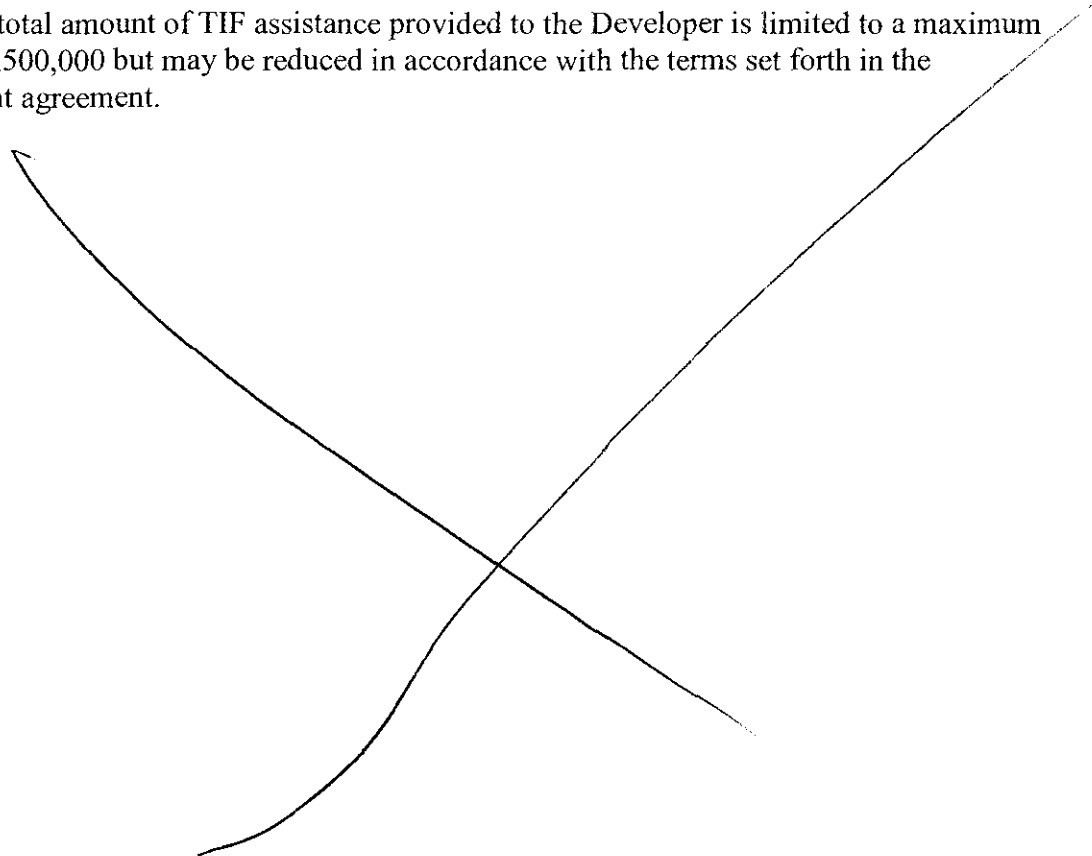


EXHIBIT G

PERMITTED LIENS

1. Liens or encumbrances against the Property:

Construction Mortgage, Assignment of Leases and Rents, Security Agreement dated December 6, 2005, recorded as document no. 0603243567 in the records of the Cook County Recorder of Deeds on February 1, 2006 and made by 3927 West Belmont Residential Property, LLC and 3963 West Belmont Commercial Property, LLC to MB Financial Bank, N.A. to secure a note for \$30,000,000.

Those matters set forth as Schedule B title exceptions in the owner'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.

[See attached.]

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

None.

PERMITTED LIENS

REFERENCE TO PARCELS A1 AND C REFER TO 3927 WEST BELMONT AVENUE

REFERENCE TO PARCELS A2 AND B REFER TO 3963 WEST BELMONT AVENUE

1. TAXES FOR THE YEAR(S) 2005 -- 2005 TAXES ARE NOT YET DUE OR PAYABLE.
2. LEASE MADE BY RECORDS MANAGEMENT SERVICES, INC., TO AT&T WIRELESS PCS, INC., DATED NOVEMBER 30, 1995, A MEMORANDUM OF WHICH WAS RECORDED JULY 3, 1997 AS DOCUMENT 97483406, DEMISING THE LAND FOR A TERM OF 5 YEARS WITH 4 SUBSEQUENT OPTIONAL EXTENSION TERMS OF 5 YEARS EACH, AND ALL RIGHTS THEREUNDER OF, AND ALL ACTS DONE OR SUFFERED THEREUNDER BY, SAID LESSEE OR BY ANY PART CLAIMING BY, THROUGH, OR UNDER SAID LESSEE.  
  
(AFFECTS PARCEL A2 AND PARCEL B)
3. RIGHTS OF THE MUNICIPALITY, THE STATE OF ILLINOIS, THE PUBLIC AND ADJOINING OWNERS IN AND TO VACATED ALLEY.  
  
(AFFECTS PARCEL B AND PARCEL C)
4. RIGHTS OF THE PUBLIC AND QUASI-PUBLIC UTILITIES, IF ANY, IN SAID VACATED ALLEY FOR MAINTENACE THEREIN OF POLES, CONDUITS, SEWERS AND OTHER FACILITIES.  
  
(AFFECTS PARCEL B AND PARCEL C)
5. BUILDING LINE AS SHOWN ON THE PLAT OF SUBDIVISION OVER THE EAST 20.00 FEET OF LOTS 67, 68 AND 69 AND OVER THE EAST 10.00 FEET OF LOT 70.  
  
(AFFECTS LOTS 67, 68, 69 AND 70 OF PARCEL A2)
6. RESTRICTIONS (BUT OMITTING ANY SUCH COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS) INCLUDIING A 20 FOOT BUILDING LINE FROM FRONT OF LOTS 34 AND 47 AND 10 FOOT BUILDING

LINE FROM FRONT OF LOTS 35 AND 46, CONTAINED IN PLAT OF SUBDIVISION FILED MARCH 26, 1912 AS LR23771, AS DISCLOSED BY CERTIFICATE OF TITLE RECORDED DECEMBER 12, 1995 AS DOCUMENT 95862751.

7. ENVIRONMENTAL NO FURTHER REMEDIATION LETTER RECORDED APRIL 16, 1998 AS DOCUMENT 98302177 ILLINOIS EPA RELATING TO NO.: 0316215034; LUST INCIDENT NO.: 912980.

(AFFECTS PARCEL A1)

8. RIGHTS, IF ANY, OF PUBLIC AND QUASI-PUBLIC UTILITIES IN THE LAND AS DISCLOSED BY THE OVERHEAD WIRES, AND ELECTRIC UTILITY POLES, SHOWN ON THE PLAT OF SURVEY PREPARED BY GREMLEY & BIEDERMANN, INC., NUMBER 1011228, DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL C)

9. RIGHTS, IF ANY, OF PUBLIC AND QUASI-PUBLIC UTILITIES IN THE LAND AS DISCLOSED BY THE ELECTRIC VAULT, ELECTRIC LINE AND WATER SPRINKLER AS SHOWN ON PLAT OF SURVEY PREPARED BY GREMLEY & BIEDERMANN, INC., NUMBER 1011228, DATED NOVEMBER 28, 2005.

(AFFECTS PARCELS A2 AND B)

10. ENCROACHMENT OF THE SALES TRAILER WITH ATTACHED OVERHEAD AND RAMP LOCATED MAINLY ON THE LAND ONTO THE PROPERTY SOUTH AND ADJOINING BY APPROXIMATELY 8.71 FEET, AS SHOWN ON PLAT OF SURVEY NUMBER 1011228 PREPARED BY GREMLEY & BIEDERMANN, INC. DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL A1)

11. ENCROACHMENT OF THE GUARDRAIL LOCATED MAINLY ON THE LAND ONTO THE PROPERTY SOUTH AND ADJOINING BY APPROXIMATELY 14.50 FEET, AS SHOWN ON PLAT OF SURVEY NUMBER 1011228 PREPARED BY GREMLEY & BIEDERMANN, INC. DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL A1)

12. ENCROACHMENT OF THE CHAIN LINK FENCE LOCATED MAINLY ON THE LAND ONTO THE PROPERTY EAST AND ADJOINING BY APPROXIMATELY 0.39 FEET, ONTO THE PROPERTY WEST AND ADJOINING BY APPROXIMATELY 0.30 FEET, AND ONTO THE PROPERTY SOUTH AND ADJOINING BY APPROXIMATELY 15 FEET, AS SHOWN ON PLAT OF SURVEY

NUMBER 1011228 PREPARED BY GREMLEY & BIEDERMANN, INC. DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL A1)

13. ENCROACHMENT OF THE BRICK BUILDING LOCATED MAINLY ON THE LAND ONTO THE PROPERTY WEST AND ADJOINING BY APPROXIMATELY 0.13 FEET, ONTO THE PROPERTY NORTH AND ADJOINING BY APPROXIMATELY 0.17 FEET AT THE NORTHWEST CORNER OF THE PREMISES, AND ONTO THE PROPERTY NORTH AND ADJOINING BY APPROXIMATELY 0.10 FEET AT THE NORTHEAST CORNER OF THE PREMISES, AS SHOWN ON PLAT OF SURVEY NUMBER 1011228 PREPARED BY GREMLEY & BIEDERMANN, INC. DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL A1)

14. ENCROACHMENT OF THE CHAIN LINK FENCE LOCATED MAINLY ON THE LAND ONTO THE PROPERTY EAST AND ADJOINING BY APPROXIMATELY 0.39 FEET, AND ONTO THE PROPERTY SOUTH AND ADJOINING BY AN UNDISCLOSED AMOUNT, AS SHOWN ON PLAT OF SURVEY NUMBER 1011228 PREPARED BY GREMLEY & BIEDERMANN, INC. DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL A2)

15. ENCROACHMENT OF THE BRICK BUILDING LOCATED MAINLY ON THE LAND ONTO THE PROPERTY NORTH AND ADJOINING BY APPROXIMATELY 0.05 FEET, AS SHOWN ON PLAT OF SURVEY NUMBER 1011228 PREPARED BY GREMLEY & BIEDERMANN, INC. DATED NOVEMBER 28, 2005.

(AFFECTS PARCEL A2)

## EXHIBIT H-1

## PROJECT BUDGET

<u>Site and Acquisition Costs</u>	<u>Amount</u>
Land Acquisition	\$ 7,500,000
Related acquisition costs	\$ 475,000
Demolition & Environmental Remediation	\$ 1,300,000
Sub-Total of Site Costs	\$ 9,275,000
<u>Hard Costs</u>	<u>Amount</u>
Construction Costs (including contingency)	\$29,540,110
General Contractor fee (Dubin Residential)	\$ 1,200,000
General Conditions	\$ 1,147,303
Related hard costs (permits & warrantee)	\$ 484,680
Sub-Total of Hard Costs	\$32,372,093
<u>Soft Costs</u>	<u>Amount</u>
Project Management fee (Dubin Residential)	\$ 1,389,917
Marketing (Dubin Residential)	\$ 1,732,146
Inside Commissions/fees (Dubin Residential)	\$ 797,115
Commissions/fees, outside brokers	\$ 826,335
Professional Fees (arch, eng, TIF, legal, etc)	\$ 1,686,000
Interest Expenses/ financing fees	\$ 4,503,650
Real Estate & Transfer Taxes	\$ 1,063,480
General Insurance	\$ 1,349,392
Closing Costs/Condo Survey	\$ 435,000
Other soft costs (admin, accounting, compliance)	\$ 482,000
Sub-Total of Soft Costs	\$14,265,035
<b>Total Development Cost:</b>	<b>\$55,912,128</b>

## EXHIBIT H-2

## MBE/WBE BUDGET

<u>Site and Acquisition Costs</u>	<u>Amount</u>
Demolition & Environmental Remediation	\$ 1,300,000
<u>Hard Costs</u>	
Construction Costs (including contingency but excluding windows)	\$28,040,110
Related Hard costs – Warranties	\$ 248,750
<u>Soft Costs</u>	
Professional Fees (Architects, Engineers etc)	\$ 1,686,000
<b>Total MBE / WBE Eligible Costs:</b>	<b>\$31,274,860</b>

---

**Minimum Contract Amount to MBE Contractors (24%) = \$7,505,966**

**Minimum Contract Amount to WBE Contractors (4%) = \$1,250,994**

---

The above MBE/WBE dollar values are an estimate. If the actual cost of the above applicable MBE/WBE activities increase, the associated MBE/WBE dollar values will increase accordingly.



EXHIBIT M  
FORM OF NOTE

REGISTERED  
NO. R-1

MAXIMUM  
AMOUNT  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
CITY OF CHICAGO  
TAX INCREMENT ALLOCATION REVENUE NOTE (FULLERTON/MILWAUKEE  
REDEVELOPMENT PROJECT), SERIES A

Registered Owner: [Developer]

Interest Rate: \_\_\_ per annum

Maturity Date: \_\_\_\_\_, \_\_\_\_\_ [December 31, 2024]

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of \$\_\_\_\_\_ and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid. Principal of and interest on this Note from the Available Excess Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due the later of March 1 or two months after receipt by the City of a Requisition Form until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal of and

interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$\_\_\_\_\_ for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Developer (the "Project"), which were acquired, constructed and installed in connection with the development of an approximately 125,000 square foot site in the Fullerton/Milwaukee Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act") , the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_ (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and

application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE EXCESS INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE. The principal of this Note is subject to redemption on any date after the 5<sup>th</sup> anniversary of the earlier to occur of the first payment by the City or March 1, 2015, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement dated as of \_\_\_\_\_, \_\_\_\_ between the City and the Registered Owner (the "Redevelopment Agreement"), the Registered Owner has agreed to acquire and construct the Project and to advance funds for the construction and rehabilitation of certain facilities related to the Project on behalf of the City. The cost of such acquisition and rehabilitation in the amount of \$ \_\_\_\_\_ shall be deemed to be a disbursement of the proceeds of this Note.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time

as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of \_\_\_\_\_, \_\_\_\_.

Mayor

(SEAL)

Attest:

City Clerk

CERTIFICATE  
OF  
AUTHENTICATION

Registrar  
and Paying Agent  
Comptroller of the  
City of Chicago,  
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note ( \_\_\_\_\_ Redevelopment Project), Series [A], of the City of Chicago, Cook County, Illinois.

Comptroller

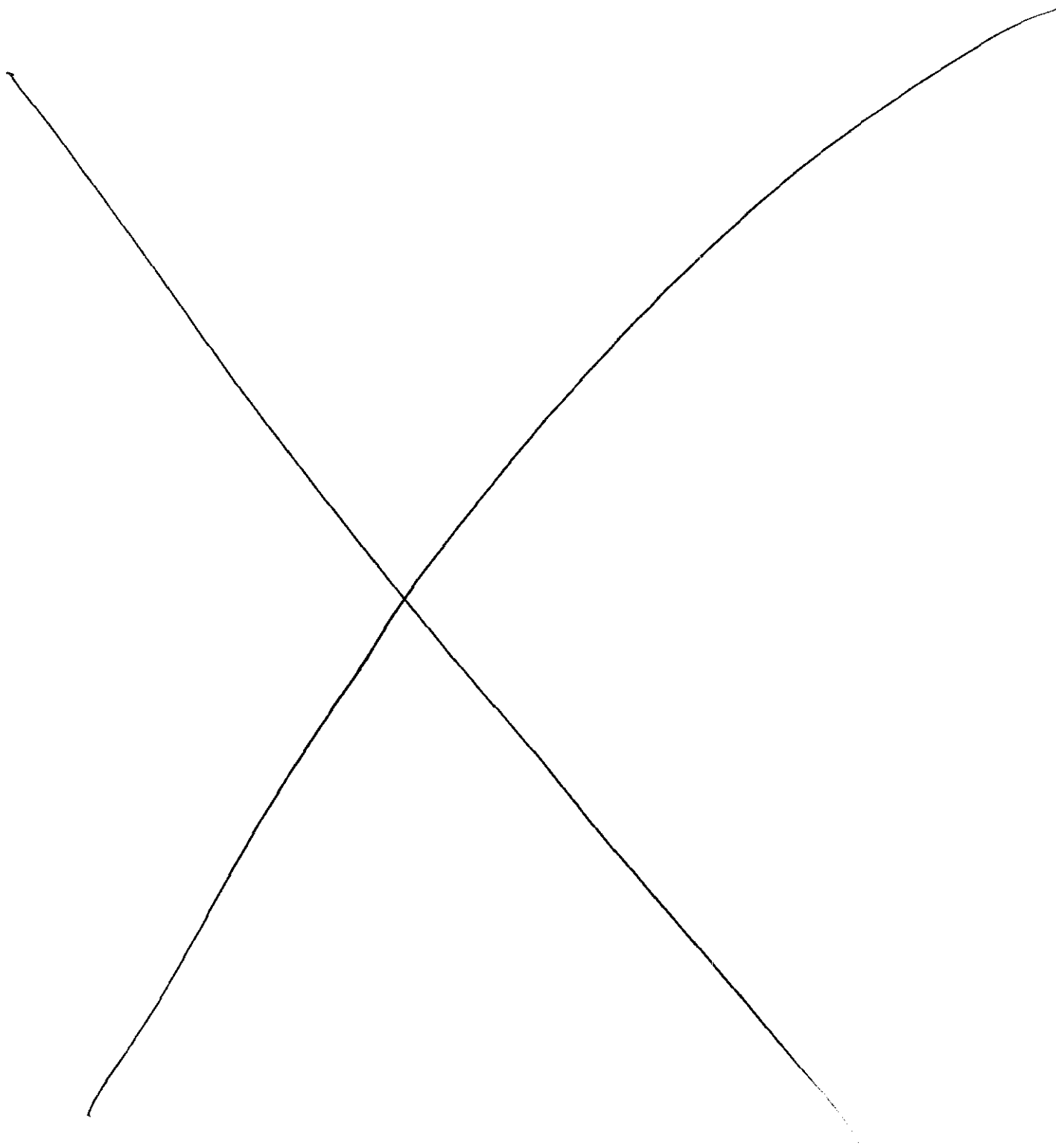
Date:

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE



(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Registered Owner

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

Consented to by:

CITY OF CHICAGO  
DEPARTMENT OF PLANNING AND DEVELOPMENT

BY:

ITS:

CERTIFICATION OF EXPENDITURE

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$ \_\_\_\_\_ Tax Increment Allocation Revenue Note  
( \_\_\_\_\_ Redevelopment Project, Series [A])  
(the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on \_\_\_\_\_, \_\_\_\_ (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$ \_\_\_\_\_ is advanced as principal under the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is \$ \_\_\_\_\_, including the amount of this Certificate and less payment made on the Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of (Closing Date).

CITY OF CHICAGO

By: \_\_\_\_\_  
Commissioner  
Department of Planning and  
Development

AUTHENTICATED BY:

\_\_\_\_\_  
REGISTRAR



## EXHIBIT N

## Public Benefits Program

Developer shall make donations made payable to the following Public Benefits Programs or such other programs as determined by the City on the Closing Date in the amounts listed below:

<u>Program</u>	<u>Amount</u>
Kelvyn Park High School	\$20,000
North Grand High School	\$20,000

EXHIBIT Q

FORM OF CITY RECAPTURE MORTGAGE

This instrument prepared by  
and after recording return to:

\_\_\_\_\_  
Department of Law  
City of Chicago  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,  
INCLUDING RESTRICTIVE COVENANTS FOR  
AFFORDABLE UNITS**

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESTRICTIVE COVENANTS FOR AFFORDABLE UNITS ("this Mortgage") is made as of this \_\_\_ day of \_\_\_\_\_, 200\_\_ from \_\_\_\_\_ ("Mortgagor"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 (the "City" or "Mortgagee").

**RECITALS**

WHEREAS, Mortgagor is on the date hereof purchasing from the Initial Seller (i) that certain real property legally described on Exhibit A attached hereto and a single family home or town home located thereon, or (ii) that certain condominium unit as described on Exhibit A attached hereto (the property described on Exhibit A hereto is hereinafter referred to as the "Home") (certain terms used herein and not otherwise defined are defined on Exhibit B attached hereto); and

WHEREAS, Mortgagor is purchasing the Home for the Purchase Price, based on the Base Purchase Price plus upgrades, if any; and

WHEREAS, the City's TIF Contribution was conditioned upon, among other things, the requirement that the Home be subject to the Affordability Requirements that shall be imposed as encumbrances and as covenants running with the land; and

WHEREAS, the Affordability Requirements are necessary to implement certain requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., and the City's TIF Affordability Guidelines; and

WHEREAS, the Affordability Requirements require that, among other things, with respect to the initial sale of the Home, with respect to which this Mortgage is being granted, and (unless Mortgagor is permitted and elects to repay to the City the City Subsidy Recapture Amount) with respect to each subsequent resale of the Home thereafter during the Recapture Period, such Home may be sold only to a Qualified Household at an Affordable Price; and

WHEREAS, Mortgagor's household is a Qualified Household and the Purchase Price is an Affordable Price; and

WHEREAS, Mortgagor acknowledges and agrees that the Base Purchase Price is less than the fair market price for the Home by an amount equal to the City Subsidy Amount, as evidenced by contemporaneous or projected sales of comparable units; and

WHEREAS, Mortgagor is able to purchase the Home for less than its fair market value because of the City's TIF Contribution, which has subsidized a portion of the construction costs of the Home, and because of the imposition of the Affordability Requirements pursuant to this Mortgage; and

WHEREAS, but for the City's TIF Contribution, and the City's imposition of the Affordability Requirements, Mortgagor would have been unable to purchase the Home for an Affordable Price; and

WHEREAS, the City has required Mortgagor to execute this Mortgage in order to both (a) impose the Affordability Requirements upon the Mortgaged Property and give notice of the Affordability Requirements to Mortgagor, to any subsequent purchaser of the Home, and to any lender having a mortgage secured by the Home, and (b) to secure the recapture payment described in Article III and Mortgagor's other obligations under this Mortgage; and

WHEREAS, in consideration of the City's TIF Contribution, the benefits accruing to Mortgagor as a result of its purchase of the Home for an Affordable Price, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor has executed and delivered to the City this Mortgage;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The Home, and all easements, rights, interests and appurtenances thereto, including, without limitation, any deeded, reserved or assigned parking area or storage space and any interest in common elements and limited common elements;

(B) All structures and improvements of every nature whatsoever now or hereafter situated within or comprising a part of the Home, including, without limitation, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the Home and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) amounts which may become due and payable pursuant to this Mortgage, and (b) performance of each and every one of the other covenants, conditions and agreements contained in the this Mortgage, and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that at all times during the Recapture Period:

2.01 Taxes and Assessments. (a) Mortgagor will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowner's association assessments, if applicable), special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Mortgagor shall keep the Mortgaged Property continuously insured (or shall use reasonable efforts to cause the condominium or homeowner's association, as applicable, to keep insured such parts of the Mortgaged Property as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Mortgagor by the Senior Lender, paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property. (a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor (subject to the rights of the Board of Managers of the condominium or homeowner's association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination. This Mortgage shall be subject and subordinate in all respects to the Senior Mortgage, if any, provided, however, that the maximum amount of indebtedness (including indebtedness attributable to protective advances made by the Senior Lender or other amounts secured under the terms of the Senior Mortgage) that shall be superior to the lien of this Mortgage shall in no instance and at no time exceed 100% of the Purchase Price plus the City Subsidy Amount. Any refinancing of the Senior Mortgage permitted under this Section 2.04, however, will also be deemed a Senior Mortgage for purposes of the subordination set forth in this Section 2.04.

2.05 Income Eligibility. Mortgagor represents and warrants to Mortgagee that Mortgagor's household income, as of the time of Mortgagor's execution of its purchase contract for the Mortgaged Property, met the income eligibility requirements established by the City applicable to a purchaser of the Home, as set forth in the definition of Qualified Household on Exhibit B hereto.

### ARTICLE III

#### RECAPTURE OF CITY SUBSIDY PROVISIONS

3.01 Acknowledgment of City Subsidy. Mortgagor acknowledges and agrees that the City has subsidized a portion of the costs of construction of the Home in the amount of the City Subsidy Amount, resulting in Mortgagor's purchase of the Home at an Affordable Price.

3.02 Primary Residence; No Leasing. Mortgagor covenants to the City that during the Recapture Period, it shall own and use the Mortgaged Property as its primary residence (and the primary residence of Mortgagor's Qualified Household) as long as Mortgagor owns the Mortgaged Property. Mortgagor covenants that during the Recapture Period, it will not lease the Mortgaged Property to any person or let any other person to occupy or use the property without the prior written consent of the City, which shall be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount set forth to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3.03 Permitted Transfers. Mortgagor covenants that during the Recapture Period, it shall not sell or otherwise directly or indirectly transfer ownership of the Mortgaged Property, except (a) to a Qualified Household, (b) for an Affordable Price, and provided that (c) the Qualified Household executes a mortgage, security and recapture agreement in similar form to this Mortgage, if such resale Affordable Price is below the market price, as reasonably determined by the City's Department of Housing. Any transfer of ownership (x) resulting from Mortgagor's death and occurring pursuant to (i) the terms of a written land trust, personal trust or will, or (ii) state intestacy law, (y) to a spouse or member of Mortgagor's Qualified Household, or (z) that simply consists of Mortgagor's transfer of the Home into a land trust or personal trust of which Mortgagor is the sole beneficiary and holder of power of direction, as applicable, shall not be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the affordable housing covenants contained in this Mortgage. **If Mortgagor attempts or purports to transfer the Mortgaged Property to a transferee in**

violation of any one or more of the conditions in clauses (a), (b) and (c), such attempted or purported transfer shall be a violation of the Affordability Requirements, and shall constitute an immediate Event of Default under Section 4.01(a).

3.04 Right to Request Waiver or Modification. The Affordability Requirements in this Article III may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

3.05 Approval of Transfer and Release of Mortgage. Upon either (a) a permitted transfer described in Section 3.03, or (b) a transfer accompanied by a repayment of the City Subsidy Recapture Amount in accordance with the terms of this Mortgage, the City will, upon ten (10) business days prior written notice, execute and deliver a "Certificate of Transfer" confirming that such transfer is a permitted transfer hereunder and effective to deliver legal title to the transferee. In addition, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage in recordable form.

**3.06 REASONABLE RESTRAINT ON ALIENATION. MORTGAGOR ACKNOWLEDGES AND AGREES THAT TO THE EXTENT THE AFFORDABILITY REQUIREMENTS, ANYTHING IN THIS ARTICLE III, OR ANY OTHER PROVISION IN THIS MORTGAGE COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING LOW-INCOME AND VERY LOW-INCOME HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S INITIAL DECISION TO PROVIDE THE TIF CONTRIBUTION, WHICH HAS ENABLED MORTGAGOR TO BUY THE HOME FOR THE PURCHASE PRICE, WHICH IS MATERIALLY BELOW THE FAIR MARKET VALUE PRICE. MORTGAGOR, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY REQUIREMENTS, WHETHER AT LAW OR IN EQUITY.**

## ARTICLE IV

### DEFAULT

4.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) A failure by Mortgagor to comply with any of the Affordability Requirements set forth in under Section 3.02 or 3.03;

(b) Failure by Mortgagor to duly observe or perform any other material term, covenant, condition, or agreement in the Mortgage after the expiration of the applicable cure periods provided in Section 4.02; or

(c) A default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

4.02 City Remedies. The City shall have the following remedies depending on the nature and timing of the Event of Default.

(a) Recapture Payment Event. If an Event of Default occurs under Section 4.01(a) prior to the Recapture Period expiration, any purported lease, direct or indirect sale or transfer of ownership, or mortgaging of the Mortgaged Property shall make the City entitled to the specific enforcement of the Affordability Requirements and any other remedies available under this Mortgage. The City, in its sole discretion, and in lieu of its specific enforcement of the Affordability Requirements, may elect to require payment of the City Subsidy Recapture Amount (as defined below) in the event that the City determines that specific enforcement of the Affordability Requirements is impractical or inappropriate. If Mortgagor pays to the City the City Subsidy Recapture Amount, then the City shall have no other remedy with respect to such Event of Default and shall be obligated to execute and deliver a release of this Mortgage in recordable form and the transferee shall not be bound by any Affordability Requirements or otherwise required to execute and deliver any mortgage in favor of the City.

The “City Subsidy Recapture Amount” shall be an amount equal to the City Subsidy Amount plus simple, non-compounding interest on such amount at the rate of one percent (1.0%) per annum (assuming twelve 30 day months) calculated from the date of this Mortgage to the date of the Recapture Payment Event.

For example, if (a) this Mortgage was dated January 1, 2002, (b) the date of the Recapture Payment Event was July 1, 2008, and (c) the City Subsidy Amount was \$20,000, then (i) the interest on the City Subsidy Amount would be \$1,300 (\$200/year for 6 years, plus \$100 for one half-year), and (ii) the City Subsidy Recapture Amount would be \$21,300 (\$20,000 plus \$1,300).

(b) If an Event of Default occurs under Section 4.02 or Section 4.03 and such default involves a failure to make timely payment of any amount due and secured by this Mortgage or the Senior Mortgage and such failure is not cured within ten (10) days of the Mortgagee’s delivery of written notice of such failure to Mortgagor (a “Monetary Event of Default”), then Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such Monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand.



(c) If Mortgagor fails to perform any other obligation required under this Mortgage not described in Section 4.02 and such failure is not cured within sixty (60) days of the Mortgagee's delivery of written notice of such failure to Mortgagor, Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such non-monetary Event of Default date being also being deemed a Recapture Payment Event for purposes of computing such amount); and (ii) exercise any other remedies available under this Mortgage (including, without limitation, specific enforcement of the Affordability Requirements any time prior to the end of the Recapture Period of this Mortgage), in either instance without further notice or demand. In the event such default cannot reasonably be cured within such sixty (60) day period, however, and if Mortgagor has commenced efforts to cure such default, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(d) If an event of default occurs under the Senior Lender's security documents (after the giving of any applicable notice and lapse of any applicable cure period, if any) and the Senior Lender commences efforts to foreclose its mortgage (or obtain a deed-in-lieu-of-foreclosure), obtain appointment of a receiver for the Mortgaged Property, or obtain possession of the Mortgaged Property, such event of default shall (notwithstanding anything in this Section 4.02 to the contrary) constitute an immediate Event of Default under this Mortgage and the Mortgagee shall be entitled to immediately: (i) declare the City Subsidy Recapture Amount immediately due and payable (with such commencement date being also deemed a Recapture Payment Event for purposes of computing the City Subsidy Recapture Amount); and (ii) exercise any other remedies available under this Mortgage, in either instance without further notice or demand.

4.03 Other Remedies. (a) If any amounts due under and secured by this Mortgage shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee, there shall be allowed and included as additional indebtedness all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this Section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of the indebtedness owed to the Senior Lender, subject to the limitation in Section 2.04; (iii) repayment of any other amounts due under

this Mortgage; and (iv) payment of any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on such Mortgagor's behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder to the payment of amounts due under this Mortgage. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts shall be paid to Mortgagor.

(d) Mortgagee may also seek specific performance or injunctive relief in order to enforce the provisions of this Mortgage.

4.04 Receiver. Subject to the rights of the Senior Lender, if an Event of Default shall have occurred and be continuing after an applicable cure period has expired, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents,

issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.05 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part the City Subsidy Recapture Amount and other amounts due under and secured by this Mortgage as a credit to the purchase price.

4.06 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.07 Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to articles, sections or paragraphs shall refer to the corresponding articles, sections or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

5.04 Security Agreement. This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

5.05 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns. Mortgagor shall have no right to convey the Home into a land trust without obtaining the prior written consent of the City.

5.06 No Merger. It being the desire and intention of the parties that this Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law. This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.08 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing, or any successor department thereto. All notices, requests, or other communications to the City hereunder shall be made to the Department of Housing at the following address: \_\_\_\_\_, Attention: \_\_\_\_\_.

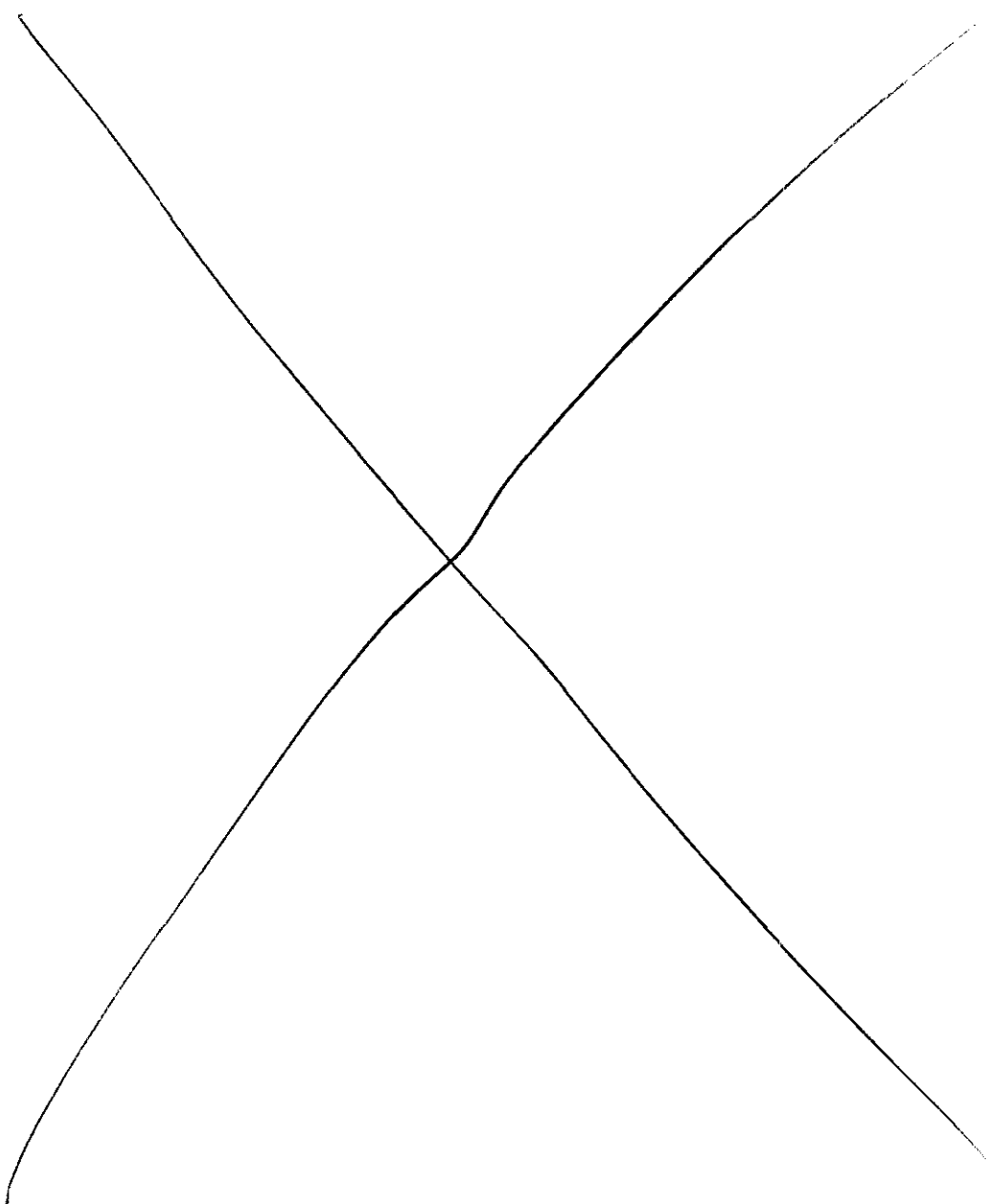
[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR(S):

\_\_\_\_\_

\_\_\_\_\_



STATE OF ILLINOIS)  
 )  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_ to me as the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_.

**Exhibit B to  
Form of Recapture Mortgage**

**Definitions**

“Affordability Requirements” shall mean the affordability requirements contained in Sections 3.02 and 3.03 hereof.

“Affordable Price” shall mean an amount less than or equal to the price at which Monthly Homeownership Costs for the Home would total not more than 30% of household income for a household with a family size equal to the product of 1.5 multiplied by the number of bedrooms in the Home whose income is the maximum amount allowable for such household to be a Qualified Household.

“Base Purchase Price” shall mean \_\_\_\_\_, being the amount of the Purchase Price exclusive of upgrades.

“City Subsidy Amount” shall mean \$ \_\_\_\_\_, constituting the difference between the market value of the Home at the time of its initial purchase (based on appraisals, comparable sales or similar evidence as shall be acceptable to the Department of Housing) and the Base Purchase Price.

“City Subsidy Recapture Amount” shall have the meaning set forth in Section 4.02 hereof.

“Closing Date” shall mean the date of execution of this Mortgage.

“Home” shall have the meaning set forth in the recitals hereto.

“Initial Seller” shall mean \_\_\_\_\_.

“Monthly Homeownership Costs” shall mean the sum of the following estimated amounts:

- (i) monthly principal and interest payments on a 30-year fixed rate purchase money mortgage in the amount of 95% of the purchase price, bearing interest at a rate equal to the prevailing rate as published in the Chicago Tribune (or posted on the internet website maintained by the Chicago Tribune) as of the date of calculation of Monthly Homeownership Costs, rounded up to the nearest 1/4,
- (ii) annual estimated real property taxes, divided by 12,
- (iii) annual insurance premiums, divided by 12, for homeowners' insurance in the amount of the replacement value of the Home, and
- (iv) monthly condominium assessment payments or similar homeowner's association payments, if applicable.

"Purchase Price" shall mean \$ \_\_\_\_\_, being the sum of the Base Purchase Price plus upgrades.

"Recapture Period" shall mean for the period commencing on the Closing Date and ending upon the 30th anniversary of the Closing Date.

"Qualified Household" shall mean a single person, family or unrelated persons living together whose adjusted income is not more than 100% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937. As of the Closing Date, such income limitations are as follows:

<u># of Persons In Household</u>	<u>100% of AMI</u>
1	\$
2	\$
3	\$
4	\$
5	\$
6	\$

"Senior Lender" shall mean \_\_\_\_\_, being the mortgagee under the Senior Mortgage.

"Senior Mortgage" shall mean that certain mortgage dated as of \_\_\_\_\_, between Mortgagor and the Senior Lender, recorded with the Office of the Recorder of Deeds of Cook County, Illinois on \_\_\_\_\_ as document # \_\_\_\_\_ to secure indebtedness in the original principal amount of \$ \_\_\_\_\_.

"TIF Contribution" shall mean a contribution by the City of tax increment financing funds towards payment of a portion of the construction costs of the Home.