

to a point in the east line of said Lot 2, said point also being a point on the west line of Lot 49 in L. W. Stone's Subdivision of part of Lot 1 of De Wolf's Subdivision, aforesaid, 85.52 feet south of the northwest corner of said Lot 49; thence south 00 degrees, 00 minutes, 13 seconds west, a distance of 4.48 feet to a point 90.00 feet south of said northwest corner; thence north 88 degrees, 11 minutes, 23 seconds east along a line 90.00 feet south of and parallel with the north line of Lots 41 to 49, both inclusive, in L. W. Stone's Subdivision, aforesaid (said line also being the south right of way line of railroad), a distance of 209.13 feet to a point on the west line of South Kildare Avenue; thence south 00 degrees, 00 minutes, 13 seconds west along said west line of South Kildare Avenue, a distance of 791.64 feet to its intersection with the north line of West Roosevelt Road; thence north 89 degrees, 36 minutes, 41 seconds west along said north line of West Roosevelt Road, a distance of 611.20 feet to its intersection with the east line of South Kostner Avenue, aforesaid, and the point of beginning, in Cook County, Illinois.

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DESIGNATION OF RIVER VILLAGE TOWNHOMES, L.L.C. AND  
RIVER VILLAGE LOFTS, L.L.C. AS PROJECT DEVELOPERS,  
AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT  
AGREEMENT AND ISSUANCE OF CITY NOTES FOR  
CONSTRUCTION OF RESIDENTIAL BUILDINGS AND  
RELATED IMPROVEMENTS AT VARIOUS LOCATIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 8, 2004.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration an ordinance authorizing the Commissioner of the Department of Planning and Development to enter into and execute a redevelopment agreement and the issuance of two Tax Increment Allocation Revenue Notes for River Village Townhomes, L.L.C. and River Village Lofts, L.L.C. amount of notes not to exceed: \$2,836,008.91, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

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

Alderman Burke abstained from voting pursuant to Rule 14 of the City Council's Rules of Order and Procedure.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

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

*Yeas* -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Murphy, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 46.

*Nays* -- None.

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

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on July 30, 1997 and published at pages 49207 through 49357 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, a certain redevelopment plan and project (the "N.N. Plan") for the Near North Redevelopment Project Area (the "N.N. Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on July 30, 1997 and published at pages 49358 through 49365 of the *Journal* of such date, the N.N. Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "N.N. T.I.F. Ordinance") adopted by the City Council on July 30, 1997 and published at pages 49366 through 49374 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) ("N.N. Redevelopment Project Costs") incurred in the N.N. Area pursuant to the N.N. Plan; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on April 12, 2000 and published at pages 28654 through 28763 of the *Journal* of such date, a certain redevelopment plan and project (the "C./K. Plan") for the Chicago/Kingsbury Redevelopment Project Area (the "C./K. Area") was approved pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on April 12, 2000 and published at pages 28764 through 28770 of the *Journal* of such date, the C./K. Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "C./K. T.I.F. Ordinance") adopted by the City Council on April 12, 2000 and published at pages 28771 through 28777 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) ("C./K. Redevelopment Project Costs") (N.N. Redevelopment Project Costs and C./K. Redevelopment Project Costs may be referred to herein as "Redevelopment Project Costs") incurred in the C./K. Area pursuant to the C./K. Plan; and

WHEREAS, River Village Townhomes, L.L.C., a Delaware limited liability company, and River Village Lofts, L.L.C., a Delaware limited liability company (collectively, the "Company"), owns, in fee simple, certain property located within the N.N. Area and the C./K. Area at 1000 North Kingsbury Street, 632 -- 650 West Oak Street, 1001 -- 1055 North Kingsbury Street, 1000 -- 1044 North Crosby Street, 1003 -- 1035 North Riverwalk, and 651 -- 669 West Hobbie Street, Chicago, Illinois 60610, Chicago, Illinois (the "Property") and proposes to commence and complete construction of one hundred eighty (180) residential dwelling units of either concrete or brick and masonry construction on the Property, a minimum of two hundred fifty (250) parking spaces, and related improvements (the "Complex"), which shall consist of two (2) distinct sub-complexes: "Site Hi," all of which is located within the N.N. Area, will consist of seven-eight (78) residential dwelling units configured as sixty-six (66) townhomes and twelve (12) multi-level units, and related parking spaces, and related improvements (the "Site Hi Sub-Complex"); and "Site H2," all of which is located within the C./K. Area, will consist of one hundred

two (102) residential dwelling units configured as twenty-nine (29) townhomes, sixty-four (64) loft condominiums and nine (9) multi-level units, and related parking spaces, and related improvements (the "Site H2 Sub-Complex"); and

WHEREAS, of the one hundred eighty (180) units in the Complex, one hundred thirty-seven (137) will be or have been sold by Company at market rates, and eighteen (18) will be or have been sold by Company to buyers whose annual income does not exceed one hundred twenty percent (120%) of the median income of the correspondingly-sized household in the City as determined from time to time by the City's Department of Housing; and

WHEREAS, the remainder of the Complex's units, consisting of twenty-five (25) units (the "Project"), will be sold by Company to the Chicago Housing Authority, a municipal corporation ("C.H.A.") for use by the C.H.A. in providing housing for C.H.A.-qualified tenants; and of those twenty-five (25) units, approximately twenty percent (20%) will be adaptable, all of which can be made fully accessible to accommodate people with disabilities; and

WHEREAS, The Company proposes to undertake the Project in accordance with the N.N. Plan and the C./K. Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City, including but not limited to the completion of the Project, to be financed in part by the issuance of the Notes (defined below); and

WHEREAS, Pursuant to Resolution 04-CDC-48, adopted by the Community Development Commission of the City of Chicago (the "Commission") on June 8, 2004, the Commission recommended that the Company be designated as the developer for the Project and that the City's Department of Planning and Development ("D.P.D.") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Property or a portion thereof within fourteen (14) days after such publication, pursuant to Resolution 04-CDC-48, the Commission D.P.D.

WHEREAS, To be incurred by or on behalf of the Company, the City desires to issue, and the Company desires to acquire, according to certain terms and conditions, the Notes (as defined below) as tax increment revenue obligations; and

WHEREAS, The City will receive no cash proceeds in exchange for the Notes (as defined below) to be issued pursuant to this Ordinance; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Company is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Company and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. The City Council hereby authorizes the City to issue tax increment allocation revenue obligations in an amount not to exceed Two Million Eight Hundred Thirty-six Thousand Eight and 81/100 Dollars (\$2,836,008.81) for the purpose of paying a portion of the Redevelopment Project Costs included within the Project.

SECTION 5. There shall be borrowed for and on behalf of the City an aggregate principal amount not to exceed Two Million Eight Hundred Thirty-six Thousand Eight and 81/100 Dollars (\$2,836,008.81) for the payment of a portion of the eligible Redevelopment Project Costs included within the Project, and revenue notes of the City shall be issued up to said amount and shall be designated:

(a) Tax Increment Allocation Revenue Note (River Village Townhomes and Lofts) (Near North Redevelopment Project), Taxable Series 2004A, for a principal amount of One Million Three Hundred Sixty-two Thousand Six Hundred Fifty-five and 80/100 Dollars (\$1,362,655.80) ("Note Hi"); and

(b) Tax Increment Allocation Revenue Note (River Village Townhomes and Lofts) (Chicago/Kingsbury Redevelopment Project), Taxable Series 2004A, for a principal amount not to exceed One Million Four Hundred Seventy-three Thousand Three Hundred Fifty-three and 01/100 Dollars (\$1,473,353.01) ("Note H2").

Such notes shall hereinafter be referred to individually as a "Note" and collectively as the "Notes". Each Note shall be dated the date of delivery thereof and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein.

The Notes shall bear interest at a rate not to exceed the lesser of (i) nine and zero tenths percent (9.0%), or (ii) the ten (10) year Treasury Constant Maturities as

published in the Federal Reserve Statistical Release H-15 as of the date of issuance plus three hundred (300) Basis Points.

The principal of and interest on each Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the person(s) in whose name(s) the Note is registered at the close of business on the fifteenth (15<sup>th</sup>) day of the month immediately prior to the applicable payment date, unless the City has been directed to make such payment in another manner by written notice given to the Registrar by the registered owner(s) at least thirty (30) days prior to the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City.

The seal of the City shall be affixed to or a facsimile thereof printed on each Note, and each Note shall be signed by the manual or facsimile signature of the Mayor of the City, or the Mayor may designate another to act as his proxy and to affix his signature to each Note, and each Note shall be attested by the manual or facsimile signature of the City Clerk of the City, and each Note shall be authenticated by the manual or facsimile signature of the Comptroller, or the Comptroller may designate another to act as his proxy and to affix his signature to each Note, and in case any officer whose signature shall appear on any such Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Each Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the Note, and showing the date of authentication. A Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon the Note shall be conclusive evidence that the Note has been authenticated and delivered under this ordinance.

**SECTION 6.** The City shall cause books (the "Register") for the registration and for the transfer of each Note as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the Notes. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of any Note.

Upon surrender for transfer of a Note at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by the registered owner(s) or its (their) attorney(s) duly authorized in writing, and (iii) the written consent of the City

evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, the City shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note, provided, however, that the principal amount of the Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange a Note during the period beginning at the close of business on the fifteenth (15<sup>th</sup>) day of the month immediately prior to the maturity date of the Note nor to transfer or exchange a Note after notice calling the Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the Note. No beneficial interests in a Note shall be assigned, except in accordance with the procedures for transferring a Note described above.

The entity(ies) in whose name(s) a Note shall be registered shall be deemed and regarded as the absolute owner(s) thereof for all purposes, and payment of the principal of a Note shall be made only to or upon the order of the registered owner(s) thereof or its (their) legal representative(s). All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of a Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of a Note.

SECTION 7. The principal of each Note shall be subject to redemption as provided in the form of Note attached hereto as Exhibit B. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

SECTION 8. The Registrar shall state on the Payment Record attached to each Note the amount of any payment of principal or interest on the Note, including the amount of any redemption, and the amount of any reduction in principal pursuant to the Redevelopment Agreement.

SECTION 9. The Notes shall be prepared in substantially the form attached hereto as Exhibit B.

SECTION 10. The Notes hereby authorized shall be executed and delivered as provided in this ordinance and the Redevelopment Agreement.

SECTION 11. Pursuant to the Redevelopment Agreement, the Company has performed and continues to perform construction and redevelopment work on the Property as necessary for the Project. The eligible costs of the performance of such

construction and redevelopment up to the amount not to exceed Two Million Eight Hundred Thirty-six Thousand Eight and 81/100 Dollars (\$2,836,008.81) shall be deemed to be a disbursement of the proceeds of the respective Notes, and the outstanding principal amount of a Note shall be increased by the amount of such advance. The principal amount of a Note outstanding from time to time shall be the amount of principal indicated in such Note on its date of issuance, or the sum of advances made pursuant to one (1) or more certificates of expenditure ("Certificate of Expenditure") executed by the Commissioner (or his or her designee) and authenticated by the Registrar, in accordance with the Redevelopment Agreement, minus any principal amount paid on such Note and other reductions in principal, if any, as provided in the Redevelopment Agreement. A Certificate of Expenditure shall not be valid or obligatory under this Ordinance unless or until authenticated by the Registrar by manual or facsimile signature. The City shall not execute Certificates of Expenditure that total in excess of Two Million Eight Hundred Thirty-six Eight and 81/100 Dollars (\$2,836,008.81). Upon execution of a Certificate of Expenditure, the Registrar shall promptly send the Certificate of Expenditure to the Registered Owner and retain a copy with the Register. The Certificate of Expenditure for each Note shall be in substantially the form attached to the respective Note.

SECTION 12. The City hereby assigns, pledges and dedicates to the payment of the principal of and interest, if any, on the Notes, when due, in accordance with, and subject to, the terms and conditions of the Redevelopment Agreement and the Notes, a portion of each of the Available N.N. Bond Proceeds, Available H1 Complex-Generated Incremental Taxes, Available South C./K. Redevelopment Area Incremental Taxes, and Available North C./K. Redevelopment Area Incremental Taxes (as such terms are defined in and determined pursuant to the Redevelopment Agreement). Subject to the terms and conditions of the Notes and the Redevelopment Agreement, portions of the Available N.N. Bond Proceeds, Available H1 Complex-Generated Incremental Taxes, Available South C./K. Redevelopment Area Incremental Taxes, and/or Available North C/K Redevelopment Area Incremental Taxes shall be used to pay the principal of and interest on the Notes, from time to time, at maturity or upon payment or redemption prior to maturity, which payments are hereby authorized and appropriated by the City. Upon payment of all amounts due under the Notes in accordance with the terms and conditions of the Notes and the Redevelopment Agreement, the City's assignment, pledge and dedication of such portions of the Available N.N. Bond Proceeds, Available H1 Complex-Generated Incremental Taxes, Available South C./K. Redevelopment Area Incremental Taxes, and Available North C/K Redevelopment Area Incremental Taxes shall terminate and neither the Company nor the registered owner(s) of the Notes shall have any right, title, interest or claim whatsoever in such portion of them.

SECTION 13. The Notes are special limited obligations of the City, and are payable solely from a portion of the Available N.N. Bond Proceeds, Available H1 Complex-Generated Incremental Taxes, Available South C/K Redevelopment Area Incremental Taxes, and Available North C./K. Redevelopment Area Incremental

Taxes pursuant to the Redevelopment Agreement (or such other funds as the City, in its sole discretion, may determine), and shall be valid claims of the registered owner(s) thereof only against said sources. None of the Notes shall 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(s) of the Notes 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 of or interest on the Notes.

SECTION 14. Available N.N. Bond Proceeds, Available H1 Complex-Generated Incremental Taxes, Available South C./K. Redevelopment Area Incremental Taxes, and Available North C./K. Redevelopment Area Incremental Taxes may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on any of the respective Notes.

SECTION 15. The Registrar shall maintain a list of the name and address of the registered owner(s) from time to time of each Note and upon any transfer shall add the name(s) and address(es) of the new registered owner(s) and eliminate the name(s) and address(es) of the transferor(s).

SECTION 16. The provisions of this ordinance shall constitute a contract between the City and the registered owner(s) of each Note. All covenants relating to each Note are enforceable by the registered owner(s) of the Note.

SECTION 17. The Mayor, the Comptroller, the City Clerk, the Commissioner (or his or her designee) and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 18. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 19. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 20. This ordinance shall be in full force and effect immediately upon its passage.

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "A".*  
(To Ordinance)

*Redevelopment Agreement*

*By And Among*

*The City Of Chicago,*

*River Village Townhomes, L.L.C.*

*And*

*River Village Lofts, L.L.C.*

(SITE H)

This River Village Townhomes, LLC and River Village Lofts, LLC Redevelopment Agreement (this "Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), River Village Townhomes, LLC, a Delaware limited liability company ("Townhomes Developer"), and River Village Lofts, LLC, a Delaware limited liability company ("Lofts Developer") (Townhomes Developer and Lofts Developer, jointly and collectively, 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 "the City Council") adopted the following ordinances on July 30, 1997:

(1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Near North Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Near North 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 Near North Redevelopment Project Area" (the "Near North TIF Adoption Ordinance"),

and adopted the following ordinances on April 12, 2000:

(4) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Chicago/Kingsbury Redevelopment Project Area"; (5) "An Ordinance of the City of Chicago, Illinois Designating the Chicago/Kingsbury Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (6) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Chicago/Kingsbury Redevelopment Project Area" (the "Chicago/Kingsbury TIF Adoption Ordinance").

Items (1)-(6) are collectively referred to herein as the "TIF Ordinances." The Near North redevelopment project area (the "Near North Redevelopment Area") and the Chicago/Kingsbury redevelopment project area (the "Chicago/Kingsbury Redevelopment Area") (the Near North Redevelopment Area and the Chicago/Kingsbury Redevelopment Area collectively referred to from time to time as the "Redevelopment Areas") referred to above are both legally described in Exhibit A hereto.

On \_\_\_\_\_, 2004, the City Council adopted an ordinance authorizing the execution of this Agreement.

D. The Project; Replacement Public Housing Units: The Developer has purchased those certain real properties, Site H1 and Site H2 (as defined below), that are located within the Redevelopment Areas at 1000 N. Kingsbury Street, 632-50 W. Oak Street, 1001-55 N. Kingsbury Street, 1000-44 N. Crosby Street, 1003-35 N. Riverwalk, and 651-69 W. Hobbie Street, Chicago, Illinois 60610 and legally described on Exhibit B hereto (the "Property"). Within the time frames set forth in Section 3.01 hereof, the Developer shall commence and

complete construction of 180 residential dwelling units of either concrete or brick and masonry construction on the Property, a minimum of 250 parking spaces, and related improvements (collectively referred to herein as the "Complex"), including but not limited to those TIF-Eligible Improvements as defined below and set forth on Exhibit C hereto.

The Complex of 180 residential dwelling units consists of two distinct sub-complexes:

"Site H1," all of which is located within the Near North Redevelopment Area, will consist of 78 residential dwelling units configured as 66 townhomes and 12 multi-level units, and related parking spaces, and related improvements, all pursuant to that ordinance entitled "Residential-Business Planned Development No. 447, as Amended" ("PD 447") and enacted by the City Council on October 3, 2001 and set forth on pages 68741 - 68796, inclusive, in the Journal of the Proceedings of the City Council of the City of Chicago of the same date, as the same may be amended or modified from time to time (the "Site H1 Sub-Complex"); and

"Site H2," all of which is located within the Chicago/Kingsbury Redevelopment Area, will consist of 102 residential dwelling units configured as 29 townhomes, 64 loft condominiums and 9 multi-level units, and related parking spaces, and related improvements, all pursuant to PD 447 (the "Site H2 Sub-Complex").

Of the 180 units in the Complex, 137 will be or have been sold by Developer at market rates (the "Market-Rate Units"), and 18 will be or have been sold by Developer to buyers whose annual income does not exceed 120% of the median income of the correspondingly-sized household in the City as determined from time to time by the City's Department of Housing (the "Affordable-Rate Units").

The remainder of the Complex's units, consisting of 25 units (the "Project," as further defined herein), will be sold by Developer to the Chicago Housing Authority ("CHA") for use by the CHA in providing housing for CHA-qualified tenants. **The parties agree that the Project is limited to only these 25 units in consideration of the fact that the substantial majority of the Complex, including the 25 units of the Project, is already completed by the Developer as of the Closing Date.** Of those 25 units, approximately 20% will be adaptable, all of which can be made fully accessible to accommodate people with disabilities. All affordability and adaptability requirements set forth above will be maintained for the entire term of this Agreement.

As defined in more detail herein, the TIF-Eligible Improvements are limited to not in excess of 50% of the costs of construction of the Project.

The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plans: The Site H1 Sub-Complex will be carried out in accordance with this Agreement and the City's Near North Tax Increment Redevelopment Plan and Project (the "Near North Redevelopment Plan") attached hereto as Exhibit D-1. The Site H2 Sub-Complex will be carried out in accordance with this Agreement and the City's Chicago/Kingsbury Tax Increment Financing Redevelopment Project and Plan (the "Chicago/Kingsbury Redevelopment Plan") attached hereto as Exhibit D-2.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, (i) the proceeds of the City Notes (as defined below), (ii) Available NN Bond Proceeds, (iii) Available H1 Project-Generated Incremental Taxes; (iv) Available South C/K Redevelopment Area Incremental Taxes; and/or (v) Available North C/K Redevelopment Area Incremental Taxes, to pay for or reimburse the Developer for the costs of TIF-Eligible Improvements pursuant to the terms and conditions of this Agreement and the City Notes.

G. Other Lien Obligations. The Developer acknowledges that Near North Redevelopment Project Tax Increment Allocation Revenue Bonds (the "Near North TIF Bonds") were issued by the City on July 1, 1999 pursuant to an ordinance adopted by the City Council on January 20, 1999 (the "Bond Ordinance"). Pursuant to the Bond Indenture for the Near North TIF Bonds, the City may issue Senior Lien Obligations (other than the ones issued on July 1, 1999), Refunding Bonds or Junior Lien Obligations (as those terms are defined in the Bond Indenture, and collectively referred to herein as the "Other Lien Obligations") from time to time in the future and, if and when issued, payment of principal of, premium, if any, and interest on the Other Lien Obligations would have a prior lien on all security pledged to the repayment of the Near North TIF Bonds over any obligation created under this Agreement. The City agrees that it shall not issue any Other Lien Obligations unless, in connection therewith, the City Notes (as hereinafter defined) are paid in full.

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

## SECTION 1. RECITALS

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

## SECTION 2. DEFINITIONS

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

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

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

"Available NN Bond Proceeds" shall mean those portions, if any, of the monies on deposit in either of the Project Funds (as such terms are defined in the Bond Indenture) that are determined by the Bond Trustee to be both (i) not needed for the payment of other Project Costs (as such term is defined in the Bond Indenture) and (ii) not required to be transferred to the Senior Lien Deposit Fund (as such term is defined in the Bond Indenture).

"Annual Available Excess Near North Incremental Taxes" shall mean the total Excess Near North Incremental Taxes that are available as of June 30 in any given calendar year under the Bond Indenture, less the Near North City Administration Fee arising during the same calendar year.

"Available H1 Complex-Generated Incremental Taxes" shall mean so much of the Annual Available Excess Near North Incremental Taxes, if any, that equals 100% of the positive difference, determined as of June 30 of each year, between: (i) the sum of the first estimated installment paid in the current year and the second installment paid in the prior year of ad valorem taxes on Site H1 for each year in which there is a principal balance on any City Note, and (ii) Base Near North Project Taxes.

"Available South C/K Redevelopment Area Incremental Taxes" shall mean an amount equal to ten percent (10%) of the Excess C/K Incremental Taxes attributable to the ad valorem taxes levied on that portion of the C/K Redevelopment Area that is located south of Chicago Avenue and that are deposited into the Chicago/Kingsbury TIF Fund after January 1 of that year in which the City's obligation to commence payment on the City Notes first arises.

"Available North C/K Redevelopment Area Incremental Taxes" shall mean an amount equal to 100% of the Excess C/K Incremental Taxes attributable to the ad valorem taxes levied on that portion of the C/K Redevelopment Area that is located north of Chicago Avenue and that are deposited into the Chicago/Kingsbury TIF Fund after January 1 of that year in which the City's obligation to commence payment on the City Notes first arises.

"Base Near North Project Taxes" shall mean, for any calendar year in which Note H1 is outstanding, an amount equal to the initial equalized assessed value of Site H1 as certified by Cook County as a result of the Near North TIF Adoption Ordinance (as the same may be adjusted by Cook County) (which amount currently equals \$ \_\_\_\_\_) times the most current available combined tax rates of the taxing districts levying ad valorem real estate taxes on Site H1 determined as of June 30 of that year (e.g. if a payment becomes due on a City Note on September 1, 2005 and as of June 30, 2005 the most recent known tax rate is that determined for levy year 2003 for taxes payable in 2004, such 2003 tax rate would apply).

"Bond Indenture" shall mean that Master Trust Indenture dated as of July 1, 1999, from

the City to the Bond Trustee, pursuant to which the City has issued the Near North TIF Bonds and is authorized to issue the Other Lien Obligations, subject to the terms herein, and includes the First Supplemental Indenture and the Second Supplemental Indenture, both entered into between the City and the Bond Trustee on July 1, 1999, in connection with the issuance of certain Senior Lien Obligations.

"Bond Trustee" shall mean Cole Taylor Bank, as trustee under the Bond Indenture, and any successor in interest appointed in accordance with the Bond Indenture.

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

"C/K Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the C/K 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 Chicago/Kingsbury TIF Fund.

"C/K TIF Fund" shall mean the special tax allocation fund created by the City pursuant to the C/K TIF Adoption Ordinance in connection with the C/K Redevelopment Area into which the C/K Incremental Taxes will be deposited for the payment of C/K Redevelopment Project Costs and obligations incurred in the payment thereof.

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

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in either City Note H1 or H2, and further described in Section 4.07, pursuant to which the principal amount of either City Note H1 or H2 will be established.

"CHA" shall mean the Chicago Housing Authority, an Illinois municipal corporation.

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

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

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

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

"City Funds" shall mean the funds paid to the Developer pursuant to the City Notes.

"City Notes" shall mean, depending on the context, any one or combination of: (i) the City of Chicago Tax Increment Allocation Revenue Note (River Village Site H1) Taxable Series 2004A ("Note H1"), in the amount of \$1,362,655.80; and (ii) the City of Chicago Tax Increment Allocation Revenue Note (River Village Site H2) Taxable Series 2004B ("Note H2"), in the maximum principal amount of \$1,473,353.01. The City Notes shall be in the form attached hereto as Exhibits M-1 and M-2. The City Notes shall bear interest at such annual rates and on such other terms as are set forth in Section 4.03(c) hereof.

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

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

"Construction Contract" shall mean that certain contract that has been 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.

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

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

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

"Excess C/K Incremental Taxes" shall mean C/K Incremental Taxes which are deposited into the Chicago/Kingsbury TIF Fund after January 1 of that year in which the City's obligation to commence payment on the City Notes first arises, and that are deposited therein from time to time thereafter; but excluding therefrom all amounts of C/K Incremental Taxes that are necessary to pay principal of and interest on City Notes A, B and C from time to time, if any, and to pay the

City Funds Direct Payments, if any (as all such terms are defined in that Eport 600, L.L.C., Eport 600 Riverwalk Owner, L.L.C., and Eport 600 Property Owner, L.L.C. Redevelopment Agreement dated December 29, 2003).

"Excess Near North Incremental Taxes" shall mean Near North Incremental Taxes which are received and that have been deposited into the General Fund (as such term is defined in the Bond Indenture) of the Near North TIF Fund as of June 30 of a calendar year and which are available for the financing or payment of Redevelopment Project Costs under the Bond Indenture.

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

"Financial Statements" shall mean complete audited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

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

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

"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 Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise.

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

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

"Near North City Administration Fee" shall mean an annual amount equal to ten percent of annual Near North Incremental Taxes, being the amount the City may allocate from Near North Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Near North Redevelopment Area, including the Project (and the City shall have the right to receive such funds prior to any payment of City Funds hereunder).

"Near North Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the Near North 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 Near North TIF Fund.

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

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

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

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

"Near North TIF Fund" shall mean the special tax allocation fund created by the City pursuant to the Near North TIF Adoption Ordinance in connection with the Near North Redevelopment Area into which the Near North Incremental Taxes will be deposited for the payment of Near North Redevelopment Project Costs and obligations incurred in the payment thereof.

"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 mean, **in consideration of the fact that the substantial majority of the Complex, including the 25 units hereof, is already completed by the Developer as of the Closing Date**, those 25 dwelling units at the Property, and their related parking spaces, that are specifically designated by the Developer to be sold to the CHA for use as housing by or under the authority of the CHA, or to another buyer acceptable to the City and, as applicable, those portions of the common elements, limited common elements and other condominium association elements related thereto.

"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.

"Property" 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 respective Redevelopment Plan or otherwise referenced in the respective Redevelopment Plan.

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

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

"Site H1" shall have the meaning set forth in the Recitals hereof.

"Site H1 Sub-Complex" shall have the meaning set forth in the Recitals hereof.

"Site H2" shall have the meaning set forth in the Recitals hereof.

"Site H2 Sub-Complex" shall have the meaning set forth in the Recitals hereof.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (e.g., through and including December 31, 2021).

"TIF-Eligible Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the respective 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-Eligible Improvements for the Project.

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

"Title Company" shall mean \_\_\_\_\_.

"Title Policy" shall mean a title insurance policy 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.

"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 Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

### SECTION 3. THE PROJECT

3.01 The Project. The Developer has commenced construction of the Project and intends to complete construction of the Project no later than six (6) months after the Closing Date, subject to the provisions of Section 18.17 of this Agreement. The Project shall be carried out substantially in accordance with the Plans and Specifications for the Project.

3.02 Scope Drawings and Plans and Specifications. The Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and shall comply with all applicable state and local laws, ordinances and regulations. As of the date hereof, the Developer has delivered to DPD, and DPD has approved, the Plans and Specifications, a list of which are attached hereto as Exhibit G. The Developer has acquired all necessary building permits and other required approvals for the construction of the Project.

Any material amendment to the Plans and Specifications must be submitted to DPD for its approval.

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 that is approximately [may need to be adjusted:] \$5,887,029. The Developer hereby certifies to the City that 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.

3.04 Other Approvals. The Developer has obtained all permits and approvals required by state, federal or local statute, ordinance or regulation for the construction of the Project, and the General Contractor has delivered to the Developer performance and payment bonds in the full amount of the construction contract.

3.05 Survey Updates. Upon DPD's request, the Developer shall provide three as-built Surveys to DPD reflecting improvements made to the Property.

3.06 Architect's Certificates and Periodic Reports. The Developer has contracted with Pappageorge/Haymes Ltd. and with Hirsch Associates (the "Developer's Architect") to act as its architect on the Project. Upon completion of the Project, the Developer's Architect shall provide an original executed Architect's Completion Certificate to DOH.

#### SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be [may need to be adjusted:] \$5,887,029 and is to be applied in the manner set forth in the Project Budget. Such costs shall be funded solely from Equity and/or Lender Financing.

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-Eligible Improvements.

#### 4.03 City Funds.

(a) Uses of City Funds. City Funds (as defined below) may only be used to pay directly or reimburse the Developer for costs of TIF-Eligible Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Eligible Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Issuance of City Notes; Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue City Note H1 and City Note H2 to the Developer on the Closing Date.

Subject to the terms and conditions of this Agreement, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay principal of and interest on the two City Notes for the purpose of paying for or reimbursing the Developer for the costs of the TIF-Eligible Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available NN Bond Proceeds;	the lesser of:
Available H1 Complex-Generated	(i) \$2,836,008.81,
Incremental Taxes; Available South	(ii) 48.17% of the actual total Project costs,
C/K Redevelopment Area	or
Incremental Taxes; Available North	(iii) 100% of TIF-Eligible Improvements;
C/K Redevelopment Area	plus interest that accrues on the City Notes
Incremental Taxes	

(c) Amount of Principal of Each City Note; Maximum Interest Thereon. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City shall, for each City Note, on the Closing Date and thereafter as Certificates of Expenditure are issued, set the initial principal balance and increase the principal balance as indicated on the following schedule, subject to the maximum amount of each City Note indicated:

<u>City Note:</u>	<u>Initial Balance, Increases in Balance:</u>	<u>Maximum Amount:</u>
Note H1	the sum of (i) the dollar value of all Prior Expenditures (as defined in <u>Section 4.04(a)</u> herein) that are TIF-Eligible Improvements on Site H1, plus (ii) the dollar value of each Certificate of Expenditure issued by the City in connection with this Note H1	the lesser of (i) \$1,362,655.80 or (ii) all TIF-Eligible Improvements incurred in connection with Site H1
Note H2	the sum of (i) the dollar value of all Prior Expenditures (as defined in <u>Section 4.04(a)</u> herein) that are TIF-Eligible Improvements on Site H2, plus (ii) the dollar value of each Certificate of Expenditure issued by the City in connection with this Note H2	the lesser of (i) \$1,473,353.01 or (ii) all TIF-Eligible Improvements incurred in connection with Site H2

provided, however, that the aggregate principal balance of all City Notes shall not exceed the lesser of 48.17% of the actual total Project costs, or 100% of the TIF-Eligible Improvements incurred in connection with the Project.

Interest on the outstanding and unpaid principal of each City Note shall accrue and compound (at the rate set forth in such City Note) at any time the principal balance thereof exceeds zero (\$0). The interest rate for each City Note shall be set at its issuance date and shall not exceed the following per annum based on a 360 day year:

the lesser of (i) 9.0%, or (ii) the 10-year Treasury Constant Maturities as published in the Federal Reserve Statistical Release H-15 as of the date of issuance plus 300 Basis Points

Any interest that has accrued under one or more City Notes and remains unpaid following a scheduled payment date shall accrue interest per annum at the scheduled interest rate, but such interest on interest shall not be deemed to increase the principal of any City Note.

(d) Payment Obligations on City Notes; Priority of Payments. The payment obligation of the City on the City Notes shall commence on the date the City delivers the Completion Certificate to the Developer pursuant to Section 7 hereof.

Payments on the City Notes, if any, shall be made once annually by the City on the next February 1 to occur following the City's receipt, not later than October 1, of a properly completed Requisition Form. Developer shall not tender any Requisition Form to the City prior to the issuance of a Completion Certificate.

On each payment date, the City agrees to pay, on each respective City Note, in the manner and from the City Funds set forth below, the following amounts:

<u>City Note:</u>	<u>Source of City Funds:</u>	<u>Amount of Payment:</u>
Note H1	first from Available NN Bond Proceeds, then from Available H1 Complex-Generated Incremental Taxes, and then from Available South C/K Redevelopment Area Incremental Taxes	first, all Available NN Bond Proceeds, then all Available H1 Complex-Generated Incremental Taxes, and then all Available South C/K Redevelopment Area Incremental Taxes that remains after payment from Available South C/K Redevelopment Area Incremental Taxes on Note H2, if any
Note H2	first from Available North C/K Redevelopment Area Incremental Taxes, and then from Available South C/K Redevelopment Area Incremental Taxes	first, all Available North C/K Redevelopment Area Incremental Taxes, and then all Available South C/K Redevelopment Area Incremental Taxes

Payments on the City Notes shall continue (including, if necessary, beyond the term of the corresponding debt service schedule) until the City Notes are fully paid or discharged, subject to the terms, conditions and limitations with respect thereto contained in the City Notes and in this Agreement. Payments on each City Note shall first be applied to unpaid interest, if any, then to current interest, if any, and then to principal. The various entities comprising the Developer shall

have the right to designate which of them shall be the payee thereunder.

(e) Prepayment. The City may pre-pay, in whole or in part, the City Notes at any time, but in the sequence and priority in which they become payable, using any Available NN Bond Proceeds, Available H1 Complex-Generated Incremental Taxes, Available South C/K Redevelopment Area Incremental Taxes, Available North C/K Redevelopment Area Incremental Taxes, or other monies available to the City.

(f) Unavailability of City Funds. The City is not obligated to pay principal of or interest on the City Notes in any year in which there are no City Funds. If, at the end of the Term of the Agreement, any outstanding unpaid principal amount of and/or interest on the City Notes exists (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by the Developer, and the City shall have no obligation to pay the Outstanding Amount after the end of the Term of the Agreement.

4.04 Requisition Form. After the issuance of a Completion Certificate and thereafter throughout the earlier of (i) the Term of the Agreement or (ii) the date that the City Notes have been paid in full under this Agreement, the Developer shall provide DPD with a Requisition Form, along with the documentation described therein, in order to request payments under the City Notes. Such Requisition Form(s) shall contain as part thereof certifications as to continuing operations and compliance generally with this Agreement. Requisition Forms shall not be submitted more than once per calendar year (or as otherwise permitted by DPD) and not later than October 1 of any given year. At the request of DPD, the Developer shall meet with DPD to discuss any Requisition Form(s) delivered to DPD.

4.05 Treatment of Prior Expenditures; City Fee.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project that occurred prior to the Closing Date and subsequent to the date of the TIF Ordinances and are 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 reasonable discretion, to disallow any such expenditure as a Prior Expenditure, but shall not make any such disallowance after the Project units have been conveyed to the CHA. Exhibit I hereto sets forth those expenditures, if any, approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Eligible 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. The parties agree that the City shall allocate an amount of the Incremental Taxes up to a maximum of 10% thereof for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project.

4.06 Cost Overruns. If the aggregate cost of the TIF-Eligible 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-Eligible Improvements in excess of City Funds and of completing the Project.

4.07 Certificate of Expenditure. Certificates of Expenditure shall be issued by the City (provided the Developer has demonstrated the dollar value test set forth below) approximately 45 days after the Closing Date and every 90 days thereafter until the Maximum Amounts of City Note H1 and City Note H2 have been reached. The dollar value of each Certificate of Expenditure shall be set by the City and will equal the amount of Equity and Lender Financing demonstrated, to the reasonable satisfaction of the City, to have been expended by the Developer on the TIF-Eligible Improvements of the Project over and above the amounts of Equity and Lender Financing that have been accounted for in all prior Certificates of Expenditure, pursuant to the preconditions set forth in the paragraphs below.

Prior to each execution of a Certificate of Expenditure by the City, the Developer shall demonstrate its progress on the Project by timely submitting to the City a request for execution of a Certificate of Expenditure, which request shall include: (i) documentation (including an owner's sworn statement) regarding Developer's then-current Project expenditures on TIF-Eligible Improvements and executed lien waivers for same, which documentation shall be made satisfactory to DPD in its sole discretion, (ii) progress reports containing the information set forth in Section 8.07 herein, and, if required by said Section, (iii) a plan for correcting any compliance shortfall. Delivery by the Developer to DPD of any request for 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 execution of a Certificate of Expenditure, that:

- (a) the total amount of the request for Certificate of Expenditure represents the actual amount in TIF-Eligible Improvements paid to the General Contractor and/or subcontractors that have performed work on the Project, and/or their payees;
- (b) all amounts shown as previous payments on the request for Certificate of Expenditure have been paid to the parties entitled to such payment;
- (c) the Developer has approved all work and materials referenced in the 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 Complex which have not been cured or insured over 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

The City may require the Developer to submit further documentation to verify that the matters certified to above are true and correct, and any 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 execution of a Certificate of Expenditure including, but not limited to, the TIF Ordinances or this Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement.

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

## SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are

sufficient (along with the Equity set forth in Section 4.01) to complete the Project. 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 and attached hereto as Exhibit N, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

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

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

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

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

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

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

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has

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

5.10 Evidence of Prior Expenditures. 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 audited or unaudited interim financial statements.

5.12 MBE/WBE; Prevailing Wage. Documentation with respect to current information requested under Sections 8.07 [and 8.09] herein.

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

5.14 Corporate Documents; Economic Disclosure Statement. Each Developer has provided a copy of its Articles of Organization containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement of the entity; and such other corporate and organizational documentation as the City has requested. Each Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, recertified 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 Documents Concerning CHA Units. Copies of all then-executed purchase and sale documents for each of the 25 CHA units that comprise the Project.

5.17 Agreement with General Contractors. A copy of the executed agreement with the General Contractors.

5.18 MOPD Approval. Evidence that the City's Mayor's Office for People with

Disabilities ("MOPD") has reviewed and approved the Plans and Specifications.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The Developer has executed contracts with the General Contractors.

6.02 Construction Contracts. The Developer shall deliver to DPD copies of any Construction Contracts certified by the Developer as being true and accurate, together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. After the Closing Date, prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractors be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit O 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 Contractors and each subcontractor to agree to the provisions of Section 10 hereof; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractors to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default or a termination of this Agreement or require payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis.

6.05 Other Provisions. [Not applicable.]

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

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

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

Those covenants specifically described at Sections 8.02 and 8.19 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the entirety or any portion of the Project (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 and the completion of the conveyance of the entirety of the Project to the CHA, the covenants set forth in Sections 8.02 and 8.19 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

(b) the right (but not the obligation) to complete those TIF-Eligible Improvements that are public improvements and to pay for the costs of TIF-Eligible Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Eligible 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-Eligible Improvements in excess of the available City Funds; and

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

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

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

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

(a) each Developer is a Delaware limited liability company duly organized, validly existing, qualified to do business in its state of incorporation/organization and 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 action, and does not and will not violate its Articles of Organization or operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) until conveyance in whole or in part to residential buyers acceptable to the City, the Developer has acquired and, unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, shall maintain good, indefeasible and merchantable fee simple title to those portions of the Property that the Developer has not yet conveyed to residential buyers (and all improvements thereon) free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

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

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

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

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

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

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall complete the Project in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinance, 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.

In addition, the Developer shall, not later than six (6) months after the Closing Date, make the Project available for sale to the City or to a party to be designated by the City (e.g., the CHA) and, once such availability occurs, the Developer shall, upon request by the City, convey or cause to be conveyed to the City or to the party designated by the City the 25 units comprising

the Project.

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-Eligible 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 additional bonds in connection with either of the Redevelopment Areas, 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-Eligible Improvements (the "Other 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 Other 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 Job Creation and Retention; Covenant to Remain in the City. [Not applicable]

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 a written progress report detailing compliance with the requirements of Sections 8.09 and 10.03 of this Agreement. Such report shall be delivered to the City when the Project is 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.09 Prevailing Wage. [to come]

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-Eligible 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, the City hereby consents to the following Affiliates of the Developer receiving a portion of City Funds: (i) The RJ Group, Ltd.; (ii) LaRon Construction Company; and (iii) EDC Development, L.L.C.; (iv) EDC River Village Lofts, L.L.C.; (v) EDC River Village Townhomes, L.L.C.; (vi) Centrum River Village Lofts, L.L.C.; (vii) Centrum River Village Townhomes, L.L.C.; (viii) PBR River Village Lofts, L.L.C.; and (ix) PBR River Village Townhomes, L.L.C.

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

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

8.13 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the Developer's fiscal year ended 2003 and each fiscal year thereafter for the Term of the Agreement or until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, whichever is earlier. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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. Until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, 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 Project 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 Project is 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. 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 or, if one or more such mortgages exist, then the Subordination Agreement set forth in Exhibit N hereto shall be executed and recorded. The Developer shall pay all fees and charges incurred in connection with any such recordings. Upon making the recordings, the Developer shall immediately transmit to the City executed originals of this Agreement and the Subordination Agreement showing the dates and recording numbers of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, 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, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to 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.

8.20 Affordable and Adaptable Housing. On the Property, 137 of the residential dwelling units will be or have been sold by Developer as Market-Rate Units, 18 will be or have been sold by Developer as Affordable-Rate Units, and the 25 Project units will be sold by Developer to the CHA for use by CHA-qualified tenants. Approximately 20% of the Project units will be adaptable, all of which can be made fully accessible to accommodate people with disabilities. All affordability and adaptability requirements set forth above will be maintained for the entire term of this Agreement.

8.21 Public Benefits Program. [Not applicable.]

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

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

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

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

#### SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. [Not applicable in consideration of the fact that the substantial majority of the Complex, including the 25 units of the Project, is already completed by the Developer as of the Closing Date.]

10.02 City Resident Construction Worker Employment Requirement. [Not applicable in consideration of the fact that the substantial majority of the Complex, including the 25 units of the Project, is already completed by the Developer as of the Closing Date.]

10.03 The Developer's MBE/WBE Commitment. The Developer and the Affiliates agree that, during the construction of the Complex:

(i) 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, at least the following percentages of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):

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

(ii) For purposes of this Section 10.03 only:

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

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

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

(iii) 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 Complex 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 Complex 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 Complex by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Complex to one or more MBEs or WBEs, or by the purchase of materials or services used in the Complex 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 Subsection 11(d). 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 DOH.

(iv) The Developer shall deliver a report to DOH during the Complex describing its efforts to achieve compliance with this MBE/WBE commitment. Such report 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 Complex, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Complex, 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 DOH 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 Complex for at least five years after completion of the Complex, and DOH 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 Complex.

(v) 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.

(vi) 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.

(vii) The Developer shall be required to meet with the monitoring staff of DOH 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 meeting. During said meeting, the Developer shall demonstrate to DOH its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DOH. During the Complex, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DOH. Failure to submit such documentation on a timely basis, or a determination by DOH, 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 hereunder, the City may: (1) issue a written demand to the Developer to halt the Complex, (2) withhold any further reimbursement of any TIF-Funded Interest Costs 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 Near North TIF Bond Ordinance and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person

directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

## SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement or until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, whichever comes first (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 or until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, whichever comes first

(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) During the Construction Period

(i) Workers Compensation and Employers Liability Insurance

Workers Compensation and Employers Liability Insurance, as prescribed

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

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

(iv) Railroad Protective Liability Insurance

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

(v) Builders Risk Insurance

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

City of Chicago shall be named as an additional insured and loss payee.

(vi) Professional Liability

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

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

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

(c) Term of the Agreement or until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, whichever comes first

- (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 Project. 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 or until the entirety of the Project has been sold to one or more residential buyers

acceptable to the City, whichever comes first, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Project. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

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

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

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

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

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

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

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

matter of law.

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

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

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

### SECTION 13. INDEMNIFICATION

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-Eligible Improvements or any other Project improvement; or

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

(iv) the Developer's failure to cure any misrepresentation in this Agreement or

any other agreement relating hereto;

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

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

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

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project during normal business hours for the Term of the Agreement or until the entirety of the Project has been sold to one or more residential buyers acceptable to the City, whichever comes first.

#### **SECTION 15. DEFAULT AND REMEDIES**

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

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

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

business, property, assets, operations or condition, financial or otherwise;

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

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

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

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

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

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

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

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

(k) prior to the issuance of the Certificate, the sale or transfer of any of the ownership interests of the Developer 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 the Developer's membership interests.

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

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

## SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Project 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 Project 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 Project 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 Project 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 Project or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Project 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) teletype 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: River Village Townhomes, LLC  
River Village Lofts, LLC  
c/o The Enterprise Companies  
600 W. Chicago Ave. - Suite 570  
Chicago, Illinois 60610

With Copies To: David A. Grossberg  
Schiff Hardin LLP  
6600 Sears Tower  
Chicago, Illinois 60606

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 Exhibits D-1 and D-2 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 Near North TIF Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, 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 8.19 (Real Estate Provisions) and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

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

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

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a

Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

**18.23 Effect of City Approval.** Notwithstanding anything in this Agreement to the contrary, no approval by the City, once given, of Prior Expenditures or of other acts of the Developer that are within the discretion of the City under this Agreement, shall be withdrawn or modified with respect to any portions of the Project that have been conveyed to the CHA or other City-approved purchaser.

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.

**RIVER VILLAGE TOWNHOMES, LLC**

By: EDC River Village Townhomes, LLC, its managing member

By: EDC Management, Inc., its managing member

By: \_\_\_\_\_  
Ronald B. Shipka, Jr., President

**RIVER VILLAGE LOFTS, LLC**

By: EDC River Village Lofts, LLC, its managing member

By: EDC Management, Inc., its managing member

By: \_\_\_\_\_  
Ronald B. Shipka, Jr., President

**CITY OF CHICAGO**

By: \_\_\_\_\_

Its: \_\_\_\_\_ Commissioner, Department of Planning and Development

STATE OF ILLINOIS        )  
  ) ss  
COUNTY OF COOK        )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of \_\_\_\_\_, an Illinois [corporation] (the "Developer"), 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/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of the Developer, as his/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 \_\_\_\_ day of \_\_\_\_\_,

\_\_\_\_\_

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

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

(SEAL)

STATE OF ILLINOIS        )  
                                   ) ss  
 COUNTY OF COOK         )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, 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 he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

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

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

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

[(Sub)Exhibits "D-1", "D-2", "E", "F", "I", "K" and "O" referred to in this Redevelopment Agreement unavailable at time of printing.]

(Sub) Exhibit "M-1" referred to in this Redevelopment Agreement constitutes Exhibit "B" to the ordinance and is printed on pages 37351 through 37358 of this *Journal*.]

(Sub)Exhibits "A", "B", "C", "G", "H-1", "H-2", "J", "L", "M-2" and "N" referred to in this Redevelopment Agreement read as follows:

*(Sub)Exhibit "A".*  
(To Redevelopment Agreement)

*Legal Description.*

*Near North Redevelopment Project Area.*

A tract of land comprised of a part of Section 4, and a part of the east half of Section 5, all in Township 39 North, Range 14 East of the Third Principal Meridian, which tract of land is more particularly described as follows:

beginning at the intersection of the east line of North Halsted Street with the south line of West North Avenue in Section 4 aforesaid; thence east along said south line to the northeast corner of Lot 3 in Ogden and Towne's Subdivision of Lot 158 in Butterfield's Addition to Chicago in aforesaid Section 4; thence south along the east line of said Lot 3 to the southeast corner thereof (being also a point on the north line of a vacated alley); thence southeasterly to the intersection of the centerline of said vacated alley with a northeasterly line of the Chicago Transit Authority right-of-way; thence east and northeasterly along said centerline to an intersection with the northward projection of an east line of said right-of-way; thence south along said northward projection and said east line to an intersection with a north line of said right-of-way; thence east along said north line to an intersection with the centerline of vacated North Burling Street; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Burling Street, to an intersection with an east line of said right-of-way; thence south along said east line to an intersection with a north line of said right-of-way; thence east along said north line, passing into vacated North Orchard Street, to an intersection with the centerline of said vacated street; thence north along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Orchard Street, to an intersection with the centerline of a vacated alley; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of said vacated alley to an intersection with the centerline of vacated North Frontier Avenue; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Frontier Avenue and crossing North Ogden Avenue, to an intersection with the west line of North Larrabee Street; thence continuing east along said north line extended to an intersection with the east line of North Larrabee Street; thence north along said east line, crossing a public alley to an intersection with the south line of West North Avenue; thence east along said

south line, crossing North Mohawk Street, North Cleveland Avenue, North Hudson Avenue, North Sedgwick Street, and North Orleans Street to an intersection with the east line of North Orleans Street; thence south along said east line to the northwest corner of Lot 90 in W. B. Ogden's Subdivision of the west half of Lots 120 and 125, all of Lots 123, 124, and Lot 127 to Lot 134, inclusive, and Lot 137 of Bronson's Addition to Chicago in aforesaid Section 4; thence east along the north line of said Lot 90 to the northeast corner thereof; thence south along the east line of Lots 90 through 51, inclusive, in aforesaid W. B. Ogden's Subdivision and along the east line of Lots 1 to 4, inclusive, in Dixon's Subdivision of the east half of Lot 135 of aforesaid Bronson's Addition to Chicago and the east line of Lots 8 to 5, inclusive, in the subdivision of Lot 136 in said Bronson's Addition and the east line; and the east line extended south of Lots 25 to 17, inclusive, of W. B. Ogden's Subdivision of Lots 138, 139 and resubdivision of Lots 142 to 151 of aforesaid Bronson's Addition, to an intersection with the centerline of a public alley; thence west along said centerline to an intersection with the northward extension of the centerline of a public alley lying between said W. B. Ogden's Subdivision, the resubdivision of Lots 12 to 16 and 50 to 54 in the subdivision of Lots 138 and 139, and resubdivision of Lots 142 to 151 of aforesaid Bronson's Addition; thence south along said northward projection, said centerline and the southward extension thereof, crossing West Schiller Street to an intersection with the south line of said street; thence east along said south line to the northeast corner of Lot 25 in the subdivision of Lots 142 to 151, 154 to 156, 163 to 165, 168 to 173, 176 and 178 to 183, of aforementioned Bronson's Addition; thence south along the east line of Lot 25 and along the east line of Lot 18 and the southward extension thereof in aforementioned subdivision, crossing a public alley, to an intersection with the north line of West Evergreen Avenue; thence east along said north line, crossing North Park Avenue and a vacated alley, to an intersection with the west line of North Wells Street; thence south along said west line extended south and said west line, crossing West Evergreen Avenue, West Goethe Street and West Scott Street to an intersection with the north line of West Division Street; thence west along said north line to an intersection with an east line of the aforesaid right-of-way; thence south, crossing West Division Street to the intersection of said east line of right-of-way with the south line of West Division Street; thence south along said east line, being also the east line of Lot 29 in the subdivision of Block 3 of Johnston, Roberts and Storr's Addition to Chicago, to the southeast corner of said lot; thence west along the south line of Lots 29 through 26, inclusive, in said subdivision, to an intersection with the east line of North Orleans Street; thence south along said east line, crossing vacated West Elm Street, to the southwest corner of Lot 2 in the County Clerk's Division of Block 6 of Johnston, Roberts and Storr's Addition to Chicago; thence east along the south lines of Lot 2 and Lot 3 in said division to an intersection with a westerly

line of the aforementioned right-of-way, said westerly line being a curved line convex to the east; thence southeasterly along said westerly line to an intersection with the north line of West Hill Street; thence east along said north line, crossing vacated North Franklin Street and vacated alleys to an intersection with the west line of North Wells Street; thence south along said west line extended south and along said west line, crossing West Hill Street, vacated West Wendell Street and West Oak Street, to an intersection with the south line of West Oak Street; thence west along said south line crossing vacated alleys and vacated North Franklin Street to the northeast corner of Lot 1 in the Assessor's Division of Lots 5 to 8 in the subdivision of Block 19 of Johnston, Roberts and Storr's Addition; thence south along the east line of Lots 1 and 10 in said division, and the southward extension of said east line to an intersection with the centerline of West Walton Street; thence west along said centerline to an intersection with the northward extension of the east line of the aforementioned right-of-way; thence south along said east line and said east line extended south, crossing West Walton Street, a public alley and West Locust Street, to an intersection with the south line of West Locust Street; thence west along said south line, crossing public alleys and North Orleans Street to an intersection with the east line of North Sedgwick Street; thence south along said east line to an intersection with the north line of West Chicago Avenue; thence west along said north line extended west and along said north line, crossing North Sedgwick Street, North Hudson Avenue, North Cleveland Avenue, North Cambridge Avenue and North Larrabee Street to an intersection with the west line of said North Larrabee Street; thence north along said west line to an intersection with the southwesterly line of North Kingsbury Street; thence northwesterly along said southwesterly line, crossing vacated North Branch Street, to the southeast corner of Lot 10 in Block 96 of Elston's Addition to Chicago; thence southwesterly along the southeasterly line of said Lot 10 to the southwest corner thereof; thence northwesterly along the southwesterly line of Block 96, to the northwest corner of Lot 1 in said block; thence northwesterly, crossing vacated West Haines Street, to the southwest corner of Lot 7 in Block 85 of Elston's Addition, aforesaid; thence northwesterly along the southwesterly line of said Block 85 to a westerly corner of Lot 5 in said block; thence northwesterly, crossing North Halsted Street and entering Section 5 aforesaid, to the southeast corner of Block 73 in Elston's Addition; thence northwesterly along the southwesterly line of said Block 73 to an intersection with the south line of West Division Street; thence northeasterly to the southwest corner of Lot 15, Block 71 in Chicago Land Company's Resubdivision of certain blocks in Elston's Addition; thence northerly, northwesterly and westerly along the southwesterly lines of Block 71 of Elston's Addition aforesaid, to the northwest corner of Lot 1 in said Chicago Land Company's Resubdivision; thence northwesterly crossing West Evergreen Avenue, to the southwest corner

of Lot 7, Block 62 in said Chicago Land Company's Resubdivision; thence northeasterly along the northwesterly line of said West Evergreen Avenue, crossing North Kingsbury Street, to an intersection with the west line of North Dayton Street; thence easterly to the intersection of the east line of North Dayton Street with the north line of West Evergreen Avenue; thence east along said north line and said north line extended east, crossing a public alley and North Halsted Street, and passing into Section 4 aforesaid, to an intersection with the southward extension of the east line of North Halsted Street; thence north along said east line, crossing vacated West Evergreen Avenue, vacated West Fair Place, vacated West Blackhawk Street, North Clybourn Avenue and vacated alleys, to the point of beginning, excepting from said tract that part of Section 4 bounded and described as follows:

beginning at the intersection of the east line of North Hudson Avenue with the south line of West Blackhawk Street; thence east along said south line crossing a vacated alley to an intersection with the west line of North Sedgwick Street; thence south along said west line crossing vacated West Schiller Street, West Evergreen Avenue, vacated and public alleys and West Goethe Street, to an intersection with the south line of West Goethe Street; thence west along said south line and along the south line of vacated West Goethe Street, crossing North Hudson Avenue to an intersection with the west line of North Hudson Avenue; thence south along said west line to an intersection with the north line of a 12 foot public alley; thence west along said north line to an intersection with the northwesterly line of the 12 foot public alley lying southeasterly and adjacent to Lots 1 to 6, inclusive, in the subdivision of Lots 18 and 19 in Butterfield's Addition in aforesaid Section 4; thence southwesterly along said northeastward projection, and said northwesterly line and the southwestward projection thereof, to an intersection with the southeastward projection of the southwesterly line of said Lot 6 in said subdivision; thence northwesterly along said southeastward projection, and said southwesterly line and the northwestward projection thereof, crossing vacated West Goethe Street, to an intersection with the northwesterly line of vacated West Goethe Street (being also the southeasterly line of Lot 24 in the subdivision of Sublots 17 to 27, of Hein's Subdivision of Lots 7 and 20 in Butterfield's Addition to Chicago); thence southwesterly along said southeasterly line to the southwesterly corner of said Lot 24; thence northwesterly along the southwesterly line of said Lot 24 to an intersection with the east line of North Cleveland Avenue; thence north along said east line, crossing public and vacated alleys to an intersection with the south line of West Evergreen Avenue; thence east along said south line to an intersection with the southward projection of the east line of North Hudson Avenue; thence north along said southward projection and along said east line crossing West Evergreen Avenue and vacated West Schiller Street, to the point of beginning, all in the City of Chicago, Cook County, Illinois.

*Chicago/Kingsbury Redevelopment Project Area.*

*Legal Description Of Project Boundary.*

All that part of Sections 4 and 9 in Township 39 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the west line of North Larrabee Street with the north line of West Chicago Avenue; thence east along said north line of West Chicago Avenue to the northerly extension of the west line of Lot 4 in Block 1 in Higgins, Law & Company's Addition in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, said west line being also the east line of North Sedgwick Street; thence south along said northerly extension and along the east line of North Sedgwick Street to the south line of West Superior Street; thence west along said south line of West Superior Street to the east line of North Hudson Avenue; thence south along said east line of North Hudson Avenue to the south line of Lot 14 in Block 7 in said Higgins, Law & Company's Addition, said south line of Lot 14 being also the north line of the alley south of West Superior Street; thence east along said north line of the alley south of West Superior Street to the northerly extension of the east line of Lot 22 in said Block 7 in Higgins, Law & Company's Addition; thence south along said northerly extension and the east line of Lot 22 in Block 7 in Higgins, Law & Company's Addition to the north line of West Huron Street; thence east along said north line of West Huron Street to the east line of North Orleans Street; thence south along said east line of North Orleans Street to the south line of West Erie Street; thence west along said south line of West Erie Street to the southerly extension of the east line of Lot 28 in Block 10 in aforesaid Higgins, Law & Company's Addition, said east line of Lot 28 being also the west line of North Sedgwick Street; thence north along said southerly extension and the west line of North Sedgwick Street to the north line of Lot 28 in Block 10 in Higgins, Law & Company's Addition, said north line of Lot 28 being also the south line of the alley north of West Erie Street; thence west along said south line of the alley north of West Erie Street to the east line of Lot 22 in said Block 10 in Higgins, Law & Company's Addition; thence south along said east line of Lot 22 in Block 10 in Higgins, Law & Company's Addition to the north line of West Erie Street; thence west along said north line of West Erie Street to the east line of Lot 18 in said Block 10 in Higgins, Law & Company's Addition; thence north along said east line of Lot 18 in Block 10 in Higgins, Law & Company's Addition, to the north line thereof, said north line of Lot 18 being also the south line of the alley north of West Erie Street; thence west along said south line of the alley north of West Erie Street and along the westerly extension thereof to the west line of North Hudson Avenue; thence north along said west line of North Hudson Avenue to the south line of West Huron Street; thence west along said south line

of West Huron Street to the west line of North Kingsbury Street; thence north along said west line of North Kingsbury Street to the south line of West Superior Street; thence west along said south line of West Superior Street to the east line of North Larrabee Street; thence south along said east line of North Larrabee Street to the north line of West Erie Street; thence east along said north line of West Erie Street to the northerly extension of a line parallel with the east line of Lot 4 in Block 1 in the Assessor's Division of that part, south of West Erie Street and east of the Chicago River, of the east half of the northwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian and 140.50 feet east of the east line of North Kingsbury Street, said line being the east line of the parcel of property bearing Permanent Index Number 17-09-127-001; thence south along said northerly extension and the east line of the parcel of property bearing Permanent Index Number 17-09-127-001 to the south line of said Lot 4; thence east along said south line of Lot 4 to the northerly extension of the west line of Lot 29 in Young's Subdivision of part of the "Kingsbury Tract" in the east half of the northwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian lying east of the Chicago River; thence south along said northerly extension of the west line of Lot 29 in Young's Subdivision to the north line of said Lot 29; thence east along said north line of Lot 29 and along the north line of Lot 28 in said Young's Subdivision to the east line of said Lot 28; thence south along said east line of Lot 28 in Young's Subdivision of part of the "Kingsbury Tract" and along the southerly extension thereof to the south line of West Ontario Street; thence west along said south line of West Ontario Street to the northeasterly line of North Kingsbury Street; thence southeasterly along said northeasterly line of North Kingsbury Street to the north line of West Ohio Street; thence westerly along a straight line to the northeast corner of that part of Block 3 in the Assessor's Division of that part, south of West Erie Street and east of the Chicago River, of the east half of the northwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, bearing Permanent Index Number 17-09-126-012; thence west along the north line of said part of Block 3 in the Assessor's Division bearing Permanent Index Number 17-09-126-012 to the easterly dock line of the north branch of the Chicago River; thence northerly along said easterly dock line of the north branch of the Chicago River to the south line of West Chicago Avenue; thence west along said south line of West Chicago Avenue to the southerly extension of the east line of Lot 5 in Block 99 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the east line of Lot 5 in Block 99 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14 East of the Third Principal Meridian and along the northerly extension thereof to the southerly line of Lot 10 in Block 98 in said Elston's Addition to Chicago, said southerly line of Lot 10 being also the northerly dock line of the north branch of the Chicago River; thence easterly along said northerly dock line of the north branch of the Chicago River to the

westerly dock line of the North Branch Canal; thence northerly along said westerly dock line of the North Branch Canal to the southwesterly extension of the southeasterly line of Lot 10 in Block 96 in aforesaid Elston's Addition to Chicago; thence northeasterly along said southwesterly extension and the southeasterly line of Lot 10 in Block 96 in said Elston's Addition to Chicago to the southwesterly line of North Kingsbury Street; thence southeasterly along said southwesterly line of North Kingsbury Street to the west line of North Larrabee Street; thence south along said west line of North Larrabee Street to the point of beginning at the north line of West Chicago Avenue, all in the City of Chicago, Cook County, Illinois.

*(Sub)Exhibit "B".*  
(To Redevelopment Agreement)

*Legal Description Of The Property.*

The land referred to in this policy is described as follows:

Parcel 1:

A tract of land being a part of Lot 4 in Marshall and Others' Subdivision of Lots 11 to 17, both inclusive, in Block 96 in Elston's Addition to Chicago together with Lots 18 to 20 and a part of Lot 21 in Block 96 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, being further described as follows:

commencing on the southwesterly line of North Kingsbury Street at a point 816.84 feet northwesterly of the intersection of said southwesterly line of North Kingsbury Street and the west line of North Larabee Street, said point being also the extension of the northwesterly face of five (5) concrete columns; thence northwesterly, along the southwesterly line of North Kingsbury Street, 184.02 feet to the point of beginning; thence continuing northwesterly along the southwesterly line of North Kingsbury Street, 228.90 feet; thence southwesterly perpendicular to the last described line, 41.17 feet; thence southeasterly perpendicular to the last described line, 2.00 feet; thence southwesterly along a line forming an angle of 94 degrees, 10 minutes, 58 seconds to the left with the last described line, 45.25 feet; thence northwesterly along a line forming an angle of 85 degrees, 49 minutes, 02 seconds to the left with the last described line, 2.00 feet; thence southwesterly, along a line forming an angle of 93 degrees, 34 minutes, 45 seconds to the right with the last described line,

36.18 feet; thence northwesterly along a line forming an angle of 172 degrees, 49 minutes, 48 seconds to the left with the last described line, 47.29 feet to the northeasterly dock line of the Chicago River; thence southeasterly, along said dock line, being a line forming an angle of 90 degrees, 28 minutes 31 seconds to the right with the last described line, 309.66 feet; thence northeasterly, along a line perpendicular to the southwesterly line of North Kingsbury Street drawn from a point 67.05 feet southeasterly of the point of beginning, being a line forming an angle of 78 degrees, 46 minutes, 32 seconds to the right with the last described line, 30.59 feet; thence northwesterly along a line 30.00 feet northeasterly of and parallel with the aforesaid dock line, being a line forming an angle of 101 degrees, 13 minutes, 28 seconds to the right with the last described line, 71.09 feet; thence southeasterly, along a line forming an angle of 92 degrees, 41 minutes, 57 seconds to the left with the last described line, 18.06 feet to a line drawn perpendicular to the southwesterly line of North Kingsbury Street from the point of beginning; thence northeasterly along said perpendicular line, 166.86 feet to the point of beginning, excepting therefrom the westerly 3.00 feet, in Cook County, Illinois.

Parcel 2:

That part of Lot 1 in Owners' Resubdivision of Block 92 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, described as follows:

beginning at the southwest corner of said Lot 1; thence northwesterly along the southwesterly line of Lot 1, being the northeasterly line of North Kingsbury Street, 323.79 feet; thence northeasterly at right angles to the last described line, 134.54 feet; thence southeasterly at right angles to the last described line, 87.35 feet; thence northeasterly at right angles to the last described line, 49.00 feet; thence northwesterly at right angles to the last described line, 5.30 feet; thence northeasterly at right angles to the last described line, 87.00 feet to the northeasterly line of said Lot 1, being the southwesterly line of North Crosby Street; thence southeasterly along said southwesterly line, 241.89 feet to the southeast corner of said Lot 1, being the northwesterly line of West Oak Street; thence southwesterly, along said northwesterly line, 270.55 feet to the point of beginning, in Cook County, Illinois.

Parcel 3:

A tract of land being Lots 1, 2, 3 and a part of Lot 4 in Marshall and Others' subdivision of Lots 11 to 17, both inclusive, in Block 96 in Elston's Addition to

Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, being further described as follows:

commencing on the southwesterly line of North Kingsbury Street at a point 816.84 feet northwesterly of the intersection of said southwesterly line of North Kingsbury Street and the west line of North Larabee Street, said point being also the extension of the northwesterly face of five (5) concrete columns; thence northwesterly, along the southwesterly line of North Kingsbury Street, 412.92 feet to the point of beginning; thence southwesterly, perpendicular to the last described line, 41.17 feet; thence southeasterly, perpendicular to the last described line, 2.00 feet; thence southwesterly, along a line forming an angle of 94 degrees, 10 minutes, 58 seconds to the left with the last described line, 45.25 feet; thence northwesterly, along a line forming an angle of 85 degrees, 49 minutes, 02 seconds to the left with the last described line, 2.00 feet; thence southwesterly, along a line forming an angle of 93 degrees, 34 minutes, 45 seconds to the right with the last described line, 36.18 feet; thence northwesterly, along a line forming an angle of 172 degrees, 49 Minutes, 48 Seconds to the left with the last described line, 47.29 feet to the northeasterly dock line of the Chicago River; thence northwesterly, along said dock line, being a line forming an angle of 89 degrees, 31 minutes, 29 seconds to the left with the last described line, 72.35 feet; thence continuing along said dock line at an angle of 173 degrees, 37 minutes, 20 seconds to the right with the last described line 130.52 feet to the northwesterly line of Lot 1 in said Marshall and Others' Subdivision; thence northeasterly, along said northwesterly line, 143.76 feet to the southwesterly line of North Kingsbury Street; thence southeasterly, along said southwesterly line, 209.00 feet to the point of beginning, excepting therefrom the westerly 3.00 feet, in Cook County, Illinois.

Parcel 4:

That part of Lots 1, 2, 3 and 4 along with the vacated alleys in Owners' Resubdivision of Block 92 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, described as follows:

commencing at the southwest corner of said Lot 1; thence northwesterly along the southwesterly line of Lot 1, being the northeasterly line of North Kingsbury Street, 323.79 feet to the point of beginning; thence northeasterly, at right angles to the last described line, 134.54 feet; thence southeasterly, at right angles to the last described line, 87.35 feet; thence northeasterly, at right angles to the last described line, 49.00 feet; thence northwesterly, at right angles to the last described line, 5.30 feet; thence northeasterly, at right angles

to the last described line, 87.00 feet to the northeasterly line of said Lot 1, being the southwesterly line of North Crosby Street; thence northwesterly, along said southwesterly line, 210.03 feet to the northeast corner of Lot 2 aforesaid, being the southeasterly line of West Hobbie Street; thence southwesterly, along said southeasterly line, 270.55 feet to the northwest corner of Lot 4 aforesaid, being the northeasterly line of North Kingsbury Street; thence southeasterly, along said northeasterly line, 128.13 feet to the point of beginning, in Cook County, Illinois.

The land referred to in this policy is described as follows:

Parcel 1:

A tract of land being a part of Lots 19, 20 and 21 in Block 96 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, being further described as follows:

commencing on the southwesterly line of North Kingsbury Street at a point 816.84 feet northwesterly of the intersection of said southwesterly line of North Kingsbury Street and the west line of North Larabee Street, said point being also the extension of the northwesterly face of five (5) concrete columns; thence northwesterly, along the southwesterly line of North Kingsbury Street, 116.97 feet to the point of beginning; thence continuing northwesterly, along said southwesterly line of North Kingsbury Street, 67.05 feet; thence southwesterly, at right angles to the last described line, 166.86 feet; thence southwesterly, along a line forming an angle of 171 degrees, 28 minutes, 29 seconds to the left with the last described line, 18.06 feet to a line drawn 30.00 feet northeasterly of and parallel with the northeasterly dock line of the Chicago River, said parallel line forming an angle of 92 degrees, 41 minutes, 57 seconds to the right with the last described line; thence southeasterly, along said parallel line, 71.09 feet to a line perpendicular to the southwesterly line of North Kingsbury Street drawn from the point of beginning, being a line forming an angle of 78 degrees, 46 minutes, 32 seconds to the right with the last described line, 198.56 feet to the point of beginning.

Parcel 2:

Proposed units GU1 through GU60, both inclusive, and GU71 through GU74, both inclusive, in the River Village Lofts Condominium as delineated on a survey of the following described real estate: part of a tract of land being that part of Lots 21, 22 and 23, in Block 96 in Elston's Addition to Chicago, a subdivision in the

west half of the southwest quarter of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois which survey is attached as Exhibit "D" to the declaration of condominium recorded as document \_\_\_\_\_ and as amended from time to time, together with its undivided percentage interest in the common elements, all in Cook County, Illinois.

Parcel 3:

Non-exclusive easements for the benefit of Parcels 1 and 2 as created by declaration of covenants, conditions, restrictions and easements and operating agreement recorded March 12, 2001 as Document 0010192877 and re-recorded as Document 0010304717 and Re-recorded as document for the following purposes:

- A. Ingress and egress and use.
- B. Structural support.
- C. Use of facilities in the catalog building and garage building.
- D. Maintenance of catalog building easement facilities and garage easement facilities.
- E. Support, enclosure, use and maintenance of catalog building and garage building common walls, ceilings and floors.
- F. Utilities.
- G. Permitting existence of encroachments in a catalog building and garage building.
- H. Elevator overrides.
- I. Exterior maintenance.
- J. Existence, attachment and maintenance of catalog owned facilities.
- K. Rooftop communication facilities.
- L. Riverwalk access.
- M. I & E and temporary storage of materials to the extent required for the

installation and construction of the riverwalk over the land described in Exhibits B-1, B-2, C-1, C-2 and D-2 attached thereto.

The land referred to in this policy is described as follows:

Parcel 1:

A tract of land being a part of Lots 19, 20 and 21 in Block 96 in Elston's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, being further described as follows:

commencing on the southwesterly line of North Kingsbury Street at a point 816.84 feet northwesterly of the intersection of said southwesterly line of North Kingsbury Street and the west line of North Larabee Street, said point being also the extension of the northwesterly face of five (5) concrete columns; thence northwesterly, along the southwesterly line of North Kingsbury Street, 116.97 feet to the point of beginning; thence continuing northwesterly, along said southwesterly line of North Kingsbury Street, 67.05 feet; thence southwesterly, at right angles to the last described line, 166.86 feet; thence southwesterly, along a line forming an angle of 171 degrees, 28 minutes, 29 seconds to the left with the last described line, 18.06 feet to a line drawn 30.00 feet northeasterly of and parallel with the northeasterly dock line of the Chicago River, said parallel line forming an angle of 92 degrees, 41 minutes, 57 seconds to the right with the last described line; thence southeasterly, along said parallel line, 71.09 feet to a line perpendicular to the southwesterly line of North Kingsbury Street drawn from the point of beginning, being a line forming an angle of 78 degrees, 46 minutes, 32 seconds to the right with the last described line, 198.56 feet to the point of beginning.

Parcel 2:

Proposed units GU1 through GU60 both inclusive, and GU71 through GU74 both inclusive in the River Village Lofts Condominium as delineated on a survey of the following described real estate: part of a tract of land being that part of Lots 21, 22 and 23 in Block 96 in Elston's Addition to Chicago, a subdivision in the west half of the southwest quarter of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois which survey is attached as Exhibit "D" to the declaration of condominium recorded as

document \_\_\_\_\_ and as amended from time to time, together with its undivided percentage interest in the common elements, all in Cook County, Illinois.

Parcel 3:

Non-exclusive easements for the benefit of Parcels 1 and 2 as created by declaration of covenants, conditions, restrictions and easements and operating agreement recorded March 12, 2001 as Document 0010192877 and re-recorded as Document 0010304717 and re-recorded as document for the following purposes:

- A. Ingress and egress and use.
- B. Structural support.
- C. Use of facilities in the catalog building and garage building
- D. Maintenance of catalog building easement facilities and garage easement facilities.
- E. Support, enclosure, use and maintenance of catalog building and garage building common walls, ceilings and floors.
- F. Utilities.
- G. Permitting existence of encroachments in a catalog building and garage building.
- H. Elevator overrides.
- I. Exterior maintenance.
- J. Existence, attachment and maintenance of catalog owned facilities.
- K. Rooftop communication facilities.
- L. Riverwalk access.
- M. I & E and temporary storage of materials to the extent required for the installation and construction of the riverwalk over the land described in Exhibits B-1, B-2, C-1, C-2 and D-2 attached thereto.

(Sub)Exhibit "C".  
(To Redevelopment Agreement)

*T.I.F.-Eligible Improvements.*

[Exhibit Not Complete]

[Cost of Construction of C.H.A. Housing only]

Line Item	Cost
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL:

(Sub)Exhibit "G".  
(To Redevelopment Agreement)

*Permitted Liens.*

1. Liens or encumbrances against the Property:

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

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

[To be completed by Developer's counsel, subject to City approval.]

*(Sub)Exhibit "H-1".*  
(To Redevelopment Agreement)

*Project Budget.*

Expenses	Lofts	Townhomes	Total
<b>Acquisition</b>			
Purchase Price	\$936,923	\$125,000	\$1,061,923
Closing Costs/ Escrow Fees	<u>5,613</u>	<u>868</u>	<u>6,481</u>
Subtotal	\$942,536	\$125,868	\$1,068,404
<b>Hard Costs</b>			
Construction Costs	\$3,071,523	\$536,638	\$3,608,161
Construction Cost Overhead		7,813	7,813
Extraordinary Soil Conditions		8,435	8,435
Washer/Dryer	<u>21,000</u>	<u>4,000</u>	<u>25,000</u>
Subtotal	\$3,092,523	\$556,886	\$3,649,409
<b>Soft Costs</b>			
Architectural/and Engineering	\$119,483	\$25,625	\$145,108
Professional Fees	40,733	8,438	49,171

Expenses	Lofts	Townhomes	Total
Homeowners Assessments	\$ 7,241	\$ 3,750	\$ 10,991
Insurance	25,345	4,063	29,408
Real Estate Taxes	27,155	1,875	29,030
Construction Management	456,209	76,703	532,912
Building Permits	27,155	4,833	32,038
Contingency	90,517	22,188	112,705
Interest Expense	162,931	9,287	172,218
Loan Fee	37,836	5,671	43,507
Loan Release Fee	4,200	600	4,800
Survey and Appraisal	<u>5,435</u>	<u>1,896</u>	<u>7,331</u>
Subtotal:	\$1,004,240	\$164,979	\$1,169,219
TOTAL:	\$5,039,299	\$847,733	\$5,887,032

(Sub)Exhibit "H-2".  
(To Redevelopment Agreement)

*M.B.E./W.B.E. Budget.*

#### Uses of Funds

##### Hard Costs:

Construction Costs	\$3,608,161
Construction Overhead	7,813
Extraordinary Soil Conditions	<u>8,435</u>
Subtotal:	\$3,624,408

## Soft Costs:

Architectural and Engineering	\$ 145,108
Contingency	112,705
Survey and Appraisal	<u>7,331</u>
Subtotal	\$ 265,143
Total M.B.E./W.B.E. Budget	\$3,889,551
M.B.E. Contractor Budget (24%):	\$933,492
W.B.E. Contractor Budget (4%):	\$155,582

*(Sub)Exhibit "J".*  
(To Redevelopment Agreement)

*Opinion Of Developer's Counsel.*

[To Be Retyped On The Developer Counsel's Letterhead]

City of Chicago  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to \_\_\_\_\_, an [Illinois] \_\_\_\_\_ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the \_\_\_\_\_ [list both] \_\_\_\_\_ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) \_\_\_\_\_ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

(c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined:

(a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) Bylaws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such

execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or Bylaws] [describe any formation documents if the Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. (Sub)Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any

governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois. [Note: include a reference to the laws of the state of incorporation or organization of the Developer, if other than Illinois.]

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_



- 2. No Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred.

All capitalized terms which are not defined herein has the meanings given such terms in the Agreement.

[Developer]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn before me  
 this \_\_\_ day of \_\_\_\_\_,  
 \_\_\_\_\_.

\_\_\_\_\_

My commission expires: \_\_\_\_\_

Agreed and Accepted:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

City of Chicago,  
 Department of Planning  
 and Development

*(Sub)Exhibit "M-2".*  
(To Redevelopment Agreement)

*Form Of City Note H-2.*

Registered  
Number R-1

Maximum Amount  
\$1,473,353.01

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note (River Village Townhomes  
And Lofts) (Chicago/Kingsbury Redevelopment  
Project), Taxable Series 2004A.

Registered Owner: River Village Townhomes, L.L.C. and River Village Lofts, L.L.C.

Interest Rate: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

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 One Million Four Hundred Seventy-three Thousand Three Hundred Fifty-three and 01/100 Dollars (\$1,473,353.01) 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 three hundred sixty (360) day year of twelve (12) thirty (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 North C/K Redevelopment Area Incremental Taxes and Available South C/K Redevelopment Area Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year in accordance with Schedule I attached hereto 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 (15<sup>th</sup>) 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 One Million Four Hundred Seventy-three Thousand Three Hundred Fifty-three and 01/100 Dollars (\$1,473,353.01) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by River Village Townhomes, L.L.C., a Delaware limited liability company and River Village Lofts, L.L.C., a Delaware limited liability company (collectively, the "Developer") in connection with the construction of twenty-five (25) residential dwelling units that are intended to be sold by the Developer to the Chicago Housing Authority, a municipal corporation ("C.H.A.") for use by the C.H.A. in providing housing for C.H.A.-qualified tenants (the "Project"), all within or adjacent to the Near North Redevelopment Project Area (the "Project Area") in the City, pursuant to a Redevelopment Agreement dated \_\_\_\_\_, 2004 by and between the City and Developer, 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 "T.I.F. 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 \_\_\_\_\_, 2004 (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 T.I.F. 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, as a whole or in part, at a redemption price of one hundred percent (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 (15<sup>th</sup>) 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, 2004 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 of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of One Million Four Hundred

Seventy-three Thousand Three Hundred Fifty Three and 01/100 Dollars (\$1,473,353.01) shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer 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.

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 \_\_\_\_\_, 2004.

\_\_\_\_\_  
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 (River Village Townhomes and  
Lofts) (Chicago/Kingsbury Redevelopment  
Project Area), Taxable Series 2004A  
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 \_\_\_\_\_ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

[Developer]

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_

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.

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

Signature Guaranteed: \_\_\_\_\_

Consented to as of: \_\_\_\_\_, 20\_\_\_\_ by:

City of Chicago, acting through its  
Department of Planning And Development

By: \_\_\_\_\_  
Commissioner

*Certification Of Expenditure.*

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City") \$\_\_\_\_\_ Tax  
Increment Allocation Revenue Note (River Village Townhomes and Lofts)  
Chicago/Kingsbury Redevelopment Project, Taxable Series 2004A (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

[Schedule 1 referred to in this Form of City  
Note unavailable at time of printing.]

(Sub)Exhibit "N".  
(To Redevelopment Agreement)

*Form Of Subordination Agreement.*

This subordination agreement ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

*Witnesseth:*

Whereas, \_\_\_\_\_ an Illinois limited liability company (the "Developer"), has purchased certain property located \_\_\_\_\_ and legally described on (Sub)Exhibit A hereto (the "Property"), in order to \_\_\_\_\_ on the Property through the following activities: \_\_\_\_\_ (the "Project"); and

Whereas, [describe financing and security documents] as part of obtaining financing for the Project, the Developer (the "Borrower"), have entered into a certain Construction Loan Agreement dated as of \_\_\_\_\_ with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$\_\_\_\_,000,000 (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated \_\_\_\_\_ and recorded \_\_\_\_\_ as document number \_\_\_\_\_ made by the Borrower to the Lender; and (ii) Assignment of Leases and Rents recorded \_\_\_\_\_ document number \_\_\_\_\_ made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

Whereas, The Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement", referred to herein along with various other agreements and documents related thereto as the "City Agreements");

Whereas, Pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections [8.02, 8.06 and 8.19] of the Redevelopment Agreement (the "City Encumbrances");

Whereas, The City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

Now, Therefore, For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.
2. Notice Of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.
3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.
4. Governing Law Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If To The City:

City of Chicago Department of Planning  
and Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner

with a copy to:

City of Chicago Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic  
Development Division

If To The Lender:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise

actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one (1) instrument.

In Witness Whereof, This Subordination Agreement has been signed as of the date first written above.

[Lender], [a national banking association]

By: \_\_\_\_\_

Its: \_\_\_\_\_

City of Chicago

By: \_\_\_\_\_

Its: \_\_\_\_\_ Commissioner,  
Department of Planning and  
Development

Acknowledged and Agreed to this  
\_\_ day of \_\_\_\_\_, \_\_\_\_

[Developer], a

By: \_\_\_\_\_

Its: \_\_\_\_\_



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

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

My commission expires: \_\_\_\_\_

[Seal]

[(Sub)Exhibit "A" referred to in this Form of Subordination Agreement unavailable at time of printing.]

*Exhibit "B".*  
(To Ordinance)

*Form Of City Note.*

Registered  
Number R-1

Maximum Amount  
\$1,362,655.80

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note (River Village Townhomes And Lofts) (Near North Redevelopment Project), Taxable Series 2004A.

Registered Owner: River Village Townhomes, L.L.C and River Village Lofts, L.L.C.

Interest Rate: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

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 One Million Three Hundred Sixty-two Thousand Six Hundred Fifty-five and 80/100 Dollars (\$1,362,655.80) 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 three hundred sixty (360) day year of twelve (12) thirty (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 NN Bond Proceeds, Available H1 Complex-Generated Incremental Taxes and Available South C./K. Redevelopment Area Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due February 1 of each year in accordance with Schedule I attached hereto 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 (15<sup>th</sup>) 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 One Million Three Hundred Sixty-two

Thousand Six Hundred Fifty-five and 80/100 Dollars (\$1,362,655.80) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by River Village Townhomes, L.L.C., a Delaware limited liability company and River Village Lofts, L.L.C., a Delaware limited liability company (collectively, the "Developer") in connection with the construction of twenty-five (25) residential dwelling units that are intended to be sold by the Developer to the Chicago Housing Authority, a municipal corporation ("C.H.A.") for use by the C.H.A. in providing housing for C.H.A.-qualified tenants (the "Project"), all within or adjacent to the Near North Redevelopment Project Area (the "Project Area") in the City, pursuant to a Redevelopment Agreement dated \_\_\_\_\_, 2004 by and between the City and Developer, 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 "T.I.F. 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 \_\_\_\_\_, 2004 (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 T.I.F. 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, as a whole or in part, at a redemption price of one hundred percent (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 (15<sup>th</sup>) 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 \_\_\_\_\_, 2004 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 of certain facilities related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of One Million Three Hundred Sixty-two Thousand Six Hundred Fifty-five and 80/100 Dollars (\$1,362,655.80) shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer 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.

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 \_\_\_\_\_, 2004.

\_\_\_\_\_  
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 (River Village Townhomes and Lofts) (Near North Redevelopment Project Area), Taxable Series 2004A, 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 hereby sells; assigns and transfers unto \_\_\_\_\_) the within Bond and does hereby irrevocably constitutes and appoint \_\_\_\_\_, as attorney, to transfer the said Note on the books kept for registration thereof, with full power of substitution in the premises.

[Developer]

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

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.

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

Signature Guaranteed: \_\_\_\_\_

Consented to as of \_\_\_\_\_, 20\_\_ by:

City of Chicago, acting through its  
Department of Planning and Development

By: \_\_\_\_\_  
Commissioner

*Certification Of Expenditure.*

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")  
\$\_\_\_\_\_ Tax Increment Allocation Revenue Note  
(River Village Townhomes and Lofts L.L.C.) (Near North Redevelopment  
Project, Taxable Series 2004A (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

[Schedule 1 referred to in this Form of City Note  
unavailable at time of printing.]

\_\_\_\_\_

AUTHORIZATION FOR IMPOSITION OF TAX LEVY, APPROVAL  
OF YEAR 2005 BUDGET AND EXECUTION OF SERVICE  
PROVIDER AGREEMENT FOR SPECIAL  
SERVICE AREA NUMBER 2.

The Committee on Finance submitted the following report: