
2010 Annual Report

Fullerton/Milwaukee Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2011



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**


Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12/31/2010

TIF Administrator Contact Information

First Name: Andrew J.	Last Name: Mooney
Address: City Hall 121 N. LaSalle	Title: TIF Administrator
Telephone: (312) 744-0025	City: Chicago, IL Zip: 60602
E-Mail: TIFReports@cityofchicago.org	

I attest to the best of my knowledge, this report of the redevelopment project areas in:
City/Village of Chicago is complete and accurate at the end of this reporting
 Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
 Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]


7.2011
Date

Written signature of TIF Administrator

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	12/31/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]





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63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	11/17/2016
73rd and Kedzie	11/17/1993	11/17/2016
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin/Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/ Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chatham-Ridge	12/18/1986	12/31/2010 (1)
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Chinatown Basin	12/18/1986	12/31/2010
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028

(1) This TIF has been terminated; however, the sales tax portion continues to exist for the sole purpose of servicing outstanding obligations which may be retired early at which point the sales tax portion will also terminate.



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Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	3/15/2014
Division-Hooker	7/10/1996	7/10/2019
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	10/7/2016
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	11/29/2012
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	7/13/2017
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Grand Trunk	12/15/1993	12/15/2016
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	12/31/2012
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2028
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	11/2/2017
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026



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Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/ Cicero	2/16/2000	12/31/2024
Peterson/ Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	7/24/2014
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	6/10/2033
Touhy/Western	9/13/2006	12/31/2030
Weed/Fremont	1/8/2008	12/31/2032



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West Grand	6/10/1996	6/10/2019
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Ridge-Peterson Avenue	10/27/1986	12/31/2010
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area: Fullerton/Milwaukee Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Commercial
If "Combination/Mixed" List Component Types:
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <u> X </u> Industrial Jobs Recovery Law <u> </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

Reporting Year	Cumulative *
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Fund Balance at Beginning of Reporting Period

\$ 17,687,398

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	7,079,794	\$ 37,543,056	51%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	18,305		0%
Land/Building Sale Proceeds	33,709		0%
Bond Proceeds	26,658,519	35,769,001	48%
Note Proceeds		700,000	1%
Transfers in from Municipal Sources (Porting in)		52,044	0%
Private Sources			0%
Rental Revenue	44,681		0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

33,835,008

Cumulative Total Revenues/Cash Receipts

\$ 74,064,101	100%
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Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

9,899,648

Transfers out to Municipal Sources (Porting out)

1,000,000

Distribution of Surplus

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Total Expenditures/Disbursements

10,899,648

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

22,935,360

FUND BALANCE, END OF REPORTING PERIOD

\$ 40,622,758

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
	24,418	
		\$ 24,418
8. Financing costs. Subsection (q) (6) and (o)(8)		
	1,080,448	
		\$ 1,080,448
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.*

Name	Service	Amount
City Staff Costs ¹	Administration	\$ 108,914
Cook County Collector	Property Assembly	\$ 21,875
Footwear Factory Development Corp	Development	\$ 500,000
SomerCor 504, Inc.	Rehabilitation Program	\$ 447,587
Hairpin Lofts, LLC	Development	\$ 3,032,760
Electrical Resource Management	Public Improvement	\$ 17,316
Chicago Department of General Services	Public Improvement	\$ 41,034
Leopardo Companies Inc.	Public Improvement	\$ 29,216
MY BAPS Construction Corp.	Public Improvement	\$ 29,124
Chicago Board of Education	Public Improvement	\$ 4,290,000
St. Augustines's College	Job Training	\$ 15,943
Wells Fargo Bank	Financing	\$ 586,558
Amalgamated Bank	Financing	\$ 301,193
Shiff Hardin LLP	Financing	\$ 17,427
Johnson Research Group	Financing	\$ 10,676
Fidelity	Financing	\$ 14,919
Jackson Securities Inc.	Financing	\$ 27,351
First Albany Corporation	Financing	\$ 21,135
Ramirez & Co. Inc.	Financing	\$ 48,485

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD \$ 40,622,758

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Reserved for debt service	\$ 8,735,000	\$ 1,811,139
	24,490,000	

Total Amount Designated for Obligations \$ 33,225,000 \$ 1,811,139

2. Description of Project Costs to be Paid		
Designated for future redevelopment project costs		\$ 36,811,619

Total Amount Designated for Project Costs \$ 36,811,619

TOTAL AMOUNT DESIGNATED \$ 38,622,758

SURPLUS*/(DEFICIT) \$ 2,000,000

*NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X No property was acquired by the Municipality Within the Redevelopment Project Area

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
 Please include a brief description of each project.

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
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See "General Notes" Below.

TOTAL:			
Private Investment Undertaken	\$ -	\$ -	\$ 62,051,164
Public Investment Undertaken	\$ 2,501,174	\$ 11,608,045	\$ 19,351,770
Ratio of Private/Public Investment	0		3 19/92

Project 1: Small Business Improvement Fund (SBIF) **	Project is Ongoing ***		
Private Investment Undertaken			\$ 7,400,000
Public Investment Undertaken	\$ 2,001,174	\$ 566,275	\$ 3,700,000
Ratio of Private/Public Investment	0		2

Project 2: Florsheim	Project is Ongoing ***		
Private Investment Undertaken			\$ 47,400,000
Public Investment Undertaken	\$ 500,000	\$ 3,890,000	\$ 8,500,000
Ratio of Private/Public Investment	0		5 49/85

Project 3: Sachs Hairpin Lofts	Project is Ongoing ***		
Private Investment Undertaken			\$ 5,121,129
Public Investment Undertaken		\$ 5,941,770	\$ 5,941,770
Ratio of Private/Public Investment	0		25/29

Project 4: Sachs Hairpin - Retail	Project is Ongoing ***		
Private Investment Undertaken			\$ 2,130,035
Public Investment Undertaken		\$ 1,210,000	\$ 1,210,000
Ratio of Private/Public Investment	0		1 73/96

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator as each ultimate grantee's rehabilitation work is approved under the program.

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Attachment B

CERTIFICATION

TO:

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Jean-Claude Brizard
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Herman Brewer
Director
Cook County Bureau of Planning & Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Dan Donovan, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, Interim General
Superintendent & CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Fullerton/Milwaukee Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

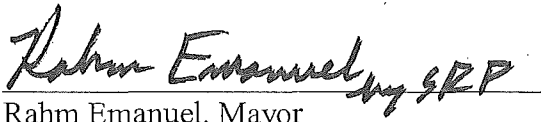
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2010, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2011.


Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2011

CITY OF CHICAGO

Attachment C

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Jean-Claude Brizard
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District
of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Herman Brewer
Director
Cook County Bureau of Planning & Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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South Cook County Mosquito Abatement
District
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Chicago, IL 60602

Michael P. Kelly, Interim General
Superintendent & CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

Re: Fullerton/Milwaukee
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

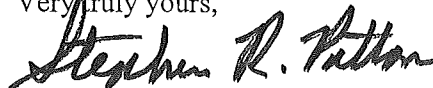
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Housing and Economic Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

ATTACHMENT D

Activities Statement

Projects that were implemented during the preceding fiscal year, if any, are set forth below:

Name of Project
Sachs/Hairpin Lofts
Sachs Hairpin - Retail

Redevelopment activities undertaken within this Project Area during the preceding fiscal year, if any, have been made pursuant to: (i) the Redevelopment Plan for the Project Area, and (ii) any Redevelopment Agreements affecting the Project Area, and are set forth in Section 3 herein by TIF-eligible expenditure category.

ATTACHMENT E

Agreements

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year, if any, are attached hereto.

None

ATTACHMENT F

Additional Information

The amounts shown elsewhere in this report, including those shown in Section 3 herein, have been used to pay for project cost within the Project Area and for debt service (if applicable), all in furtherance of the objectives of the Redevelopment Plan for the Project Area.

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

Hairpin Lofts Apartments Redevelopment Agreement

This Hairpin Lofts Apartments Redevelopment Agreement (this "**Agreement**") is made as of this 1st day of March, 2010, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development ("**DCD**"), Hairpin Lofts, LLC, an Illinois limited liability company ("**HLLLC**"), and Brinshore 2800 Corp., an Illinois corporation ("**Brinshore**" and collectively with HLLLC, the "**Developer**").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on February 16, 2000: (1) "Approval of Tax Increment Redevelopment Plan for Fullerton/Milwaukee Redevelopment Project

Area;" (2) "Designation of Fullerton/Milwaukee Redevelopment Area as Tax Increment Financing District;" and (3) "Adoption of Tax Increment Allocation Financing for Fullerton/Milwaukee Redevelopment Project Area" (the "TIF Adoption Ordinance"), and adopted "Amendment Number 1 to Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project" on May 11, 2005 ("Amendment Number 1")(such ordinances collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above as amended by Amendment Number 1 (collectively, the "**Redevelopment Area**") is legally described in **Exhibit A** hereto.

D. The Project: Lester and Rosalie Anixter Center, an Illinois not-for-profit corporation ("Anixter") has acquired from the City (the "Acquisition") certain property comprised of approximately 28,250 square feet located within the Redevelopment Area as legally described on **Exhibit B** hereto (the "**Property**"). Anixter will either contribute the Property to Hairpin Lofts Manager, LLC, an Illinois limited liability company, who will convey such Property to the ultimate title holder (or convey it directly to) HLLLC (of which Anixter, or an affiliate thereof, is indirectly through Hairpin Lofts Manger, LLC a member), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (collectively, the "**Project**"): rehabilitation of the basement, portions of the first and second floors, and the third, fourth, fifth and sixth floors of a six-story elevator building (the "**Facility**") on the Property, which will consist of one- and two-bedroom rental units, with 28 rental units, comprised of 25 affordable units (the "**Affordable Units**") and three market-rate units (the "**Market Rate Units**" and, together with the Affordable Units, the "**Units**") and related common areas. The Facility shall have a partial green reflective roof membrane, geo-thermal heating and cooling, solar thermal hot water, a high-efficiency building envelope, Energy Star appliances, low VOC interior paints, low-flow plumbing fixtures, high efficiency and insulated windows. The following standard features will be offered at no additional fee: individually controlled heating and cooling; kitchens, hardwired internet and cable; operable windows; and intercom entry system. Historic work shall include the reconstruction of the masonry parapet and masonry façade repair, in accordance with DCD and Department of Zoning and Land Use Planning ("**DZP**"), Historic Preservation Division ("**DZPHP**") approved plans. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

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

F. City Financing: The City agrees to use, in the amounts set forth in **Section 4.03(iii)** hereof, Available Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. The City, as of the Closing Date, shall allocate and appropriate the amounts set forth in **Section 4.03(iii)** for payment of the Redevelopment Project Costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes (as defined below) pursuant to an ordinance at a later date as described in **Section 8.05** hereof, the proceeds of which may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

Pursuant to an ordinance adopted by the City Council on October 6, 2005, the City entered into a redevelopment agreement dated as of February 16, 2006, with Footwear Factory Development Corp., an Illinois corporation, 3963 West Belmont Residential Property, L.L.C., an Illinois limited liability company, and 3927 West Belmont Commercial Property, L.L.C., an Illinois limited liability company (collectively the "Footwear Factory Developer"), for the issuance of a note to the Footwear Factory Developer in the aggregate principal amount not to exceed \$8,000,000 secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Footwear Factory project (the "Footwear Factory Obligation").

Pursuant to a bond ordinance adopted by the City Council on December 13, 2006 the City issued \$8,735,000 in aggregate principal amount of General Obligation Bonds (Modern Schools Across Chicago Project), Series 2007E, dated as of January 1, 2007, for which ad valorem taxes levied for repayment will be abated with, along with certain incremental taxes from various other redevelopment project areas, Incremental Taxes (the "Modern Schools Bonds").

The Northern Trust Note, the Footwear Factory Obligation and the Modern Schools Bonds are collectively referred to herein as the Prior TIF Financings. The Developer acknowledges that the Prior TIF Financings are prior liens on the Fullerton/Milwaukee TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

"Affordable Units" shall have the meaning set forth in the Recitals hereof.

"Annual Report" shall mean the report described in **Section 8.21** hereof.

“Available Incremental Taxes” shall mean the 90% of the Incremental Taxes then on deposit in the Fullerton/Milwaukee TIF Fund, such reduction to reflect the amount of the City Fee.

“Certificate” shall mean the Certificate of Completion described in **Section 7.01** hereof.

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

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

“City Fee” shall have the meaning set forth for such term in **Section 4.05(c)** hereof.

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

“City Housing Loan” shall mean the tax-exempt loan funds described in **Section 4.01** hereof.

“City Property” shall have the meaning set forth in the Hairpin Lofts Ordinance.

“Closing Date” shall mean March 31, 2010.

“COC Occupancy Covenant” shall have the meaning set forth for such term in **Section 8.20** hereof.

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

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

“Deed” shall have the meaning set forth in **Section 3.13(b)** hereof.

“DOE” shall mean the City’s Department of Environment.

“DZP” shall mean the City’s Department of Zoning and Land Use Planning.

“DZPHP” shall mean the City’s Department of Zoning and Land Use Planning, Historic Preservation Division.

“Draft NFR Letter” shall mean a draft comprehensive “no further remediation” letter from the IEPA for the Property, or any portion thereof, based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

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

“Environmental Laws” shall mean any and all Laws relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42

U.S.C. Section 9601 et seq.); (ii) any so-called “**Superfund**” or “**Superlien**” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

“**Environmental Remediation**” has the meaning set forth in **Section 11.03**.

“**Equity**” shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in **Section 4.01** hereof, which amount may be increased pursuant to **Section 4.06** (Cost Overruns) or **Section 4.03(b)**.

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

“**Escrow Agreement**” shall mean, with respect to each construction phase undertaken, the construction escrow agreement to be entered into by the Title Company (or an affiliate of, or an entity as an agent of, the Title Company), the General Contractor, the Developer, the Lender(s) and the City, substantially in the form of **Exhibit L**, attached hereto, which shall govern the funding of the Equity, the Lender Financing, and the City Funds.

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

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

“**Final NFR Letter**” shall mean a final comprehensive “no further remediation” letter from the IEPA approving the use of the Property for the construction, development and operation of the Project.

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

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

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

“**Hairpin Lofts Ordinance**” shall mean that certain ordinance of City Council adopted on March 10, 2010 authorizing the execution of this Agreement.

“**Hazardous Materials**” shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include,

but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls, lead-bearing substance and asbestos in any form or condition.

"IEPA" shall mean the Illinois Environmental Protection Agency.

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

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal.

"LEED" shall mean the Leadership in Energy and Environmental Design (LEED) Green Building Rating System maintained by the U.S. Green Building Council.

"Lender" shall mean any provider of Lender Financing.

"Lender Financing" shall mean funds borrowed by either one of the Developer from any lender to fund costs of, and available to pay for, the Project, in the amount set forth in **Section 4.01** hereof.

"Losses" shall mean any and all debts, liens, claims, actions, causes of action, suits, demands, complaints, legal or administrative proceedings, losses, damages, assessments, obligations, liabilities, executions, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, Remediation Costs, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

"Market Rate Units" shall have the meaning set forth in the Recitals hereof.

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

"MBE/WBE Budget" shall mean the budget as described in **Section 10.03**.

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

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

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on **Exhibit F** hereto.

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

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

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

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

"Project Budget" shall mean the budget attached hereto as **Exhibit G**, showing the total cost of the Project by line item, furnished by the Developer to DCD, in accordance with **Section 3.03** hereof.

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

"Purchase Price" shall have the meaning set forth in **Section 3.13(a)**.

"RACR" shall mean a Remedial Action Completion Report submitted to the IEPA in connection with a request for a Final NFR Letter.

"RAP" shall mean the Remedial Action Plan submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"ROR" means the Remediation Objectives Report submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

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

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

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

"Released Claims" shall have the meaning set forth for such term in **Section 11.04** hereof.

"Remediation Costs" shall mean governmental or regulatory body response costs, natural resource damages, property damages, and the costs of any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon.

"Reporting Period" shall have the meaning as set forth in **Section 8.21** hereof.

"Requisition Form" shall mean the document, in the form attached hereto as **Exhibit H**, to be delivered by the Developer to DCD pursuant to **Section 4.03** of this Agreement

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

"SRP" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"Surplus" shall have the meaning set forth in **Section 4.03(c)(iii)**.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or Lender).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2024, the date on which the Redevelopment Area is no longer in effect.

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

"TIF Bond(s)" shall have the meaning set forth for such term in **Section 8.05** hereof.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to reimburse and/or pay for out of the City Funds, subject to the terms of this Agreement. **Exhibit C** lists the TIF-Funded Improvements for the Project.

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

"Title Company" shall mean Greater Illinois Title Company, an Illinois corporation.

"Title Policy" shall mean a title insurance policy, including all endorsements as shall be required by Corporation Counsel, including but not limited to, an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking if applicable), contiguity (as applicable), location, access and survey, in the most recently revised ALTA or equivalent form, showing HLLLC as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than June 1, 2010; and (ii) complete construction no later than June 1, 2012.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DCD, DZP (with respect to the partial green roof) and DZPHP (with respect to all exterior modifications to the Facility), and DCD, DZP and DZPHP, respectively, have approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD (and also to DZP for all green roof modifications and ZHPHP for all exterior modifications to the Facility) as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan as in effect on the date of this Agreement and all applicable Laws. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DCD, and DCD has approved, a Project Budget showing total costs for the Project in an amount not less than Eleven Million Nine Hundred Sixty-Two Thousand Eight Hundred Ninety-Nine Dollars and 00/100 (\$11,962,899). The Developer hereby certifies to the City that (a) the Lender Financing and Equity described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay of completion of the Project in excess of 90 days, (c) changes the basic use of the Project, or (d) permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to DCD for DCD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of DCD's (and, for any green roof modifications, DZP's, and also for any exterior modifications, DZPHP's) written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

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

3.07 Progress Reports and Survey Updates. The Developer shall provide DCD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date reflecting a delay in excess of 90 days being considered a Change Order, requiring DCD's written approval pursuant to **Section 3.04**). The Developer shall provide three (3) copies of an updated Survey to DCD upon the request of DCD or any Lender, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DCD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DCD, prior to requests for disbursement for costs related to the Project. With the written consent of DCD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DCD.

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

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

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

3.12 Permit Fees. In connection with the Project and subject to waivers authorized by City Council, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.13 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) **Purchase Price.** The City hereby agrees to sell, and HLLLC hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement and the Donation Tax

Credit Agreement, the Property, for the land write down amount of One and no/100 Dollars (\$1.00) (the "Purchase Price"), which is to be paid to the City on the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. Developer shall pay all escrow fees and other title insurance fees, premiums and closing costs. The Developer acknowledges and agrees that the Purchase Price is based on an appraisal prepared in 2010 valued at approximately \$2,900,000 which is the total amount of the land write down of the Property, and the City has only agreed to sell the Property to HLLLC for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions.

(b) Form of Deed. The City shall convey the Property to Anixter by quitclaim deed (the "Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

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

(c) Title and Survey. The Developer acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating such title commitments (including all search, continuation and later-date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate tax liens attributable to taxes due and payable prior to the Closing Date with respect to the Property, the City shall submit to the County a tax abatement letter and/or file a motion to vacate a tax sale in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall have no further duties with respect to any such taxes. The Developer shall furnish the City with three (3) copies of the survey at Developer's sole cost and expense.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$11,962,899, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Lender Financing	
City Housing Loan	\$ 6,600,000*
TIF	\$ 5,941,770
Equity (subject to Sections 4.03(b) and 4.06)	
Low Income Housing Tax Credit Equity	\$ 2,413,678
Historic Tax Credit Equity	\$ 1,677,401
Donation Tax Credit Equity	\$ 1,238,700
Enterprise Green Community Grant	\$ 45,000
Deferred Developer Fee	\$ 36,350
Anixter Services Fee	\$ 10,000
ESTIMATED TOTAL	\$11,962,899

* \$6,000,000 of the \$6,600,000 City Housing Loan will be paid-off at construction completion via a portion of City Funds, low-income housing tax credit equity and historic tax credit equity. The balance of the City Housing Loan in the amount of \$600,000, will remain as a permanent, 1st mortgage loan.

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) **Uses of City Funds.** City Funds may only be used to pay directly or to reimburse Brinshore for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. **Exhibit C** sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be reimbursed from City Funds for each line item therein (subject to **Sections 4.03(b) and 4.07(d)**), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Payment of City Funds.

- i. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to provide City funds (the "City Funds") from Available Incremental Taxes to pay for and/or reimburse Brinshore for the costs of the TIF-Funded Improvements in the amounts determined under **Section 4.03(c)**.
- ii. The City's financial commitment to provide Available Incremental Taxes for such purposes (the "City Funds") shall be as follows:
 - a. \$350,000 shall be placed in Escrow from Available Incremental Taxes on May 1, 2010;

- b. \$1,000,000 shall be placed in Escrow from Available Incremental Taxes on or about October 1, 2010;
- c. \$1,682,760 shall be placed in Escrow from Available Incremental Taxes on or about December 1, 2010; and
- d. \$2,909,010 placed in Escrow from Available Incremental Taxes on or about March 1, 2011.

In no event shall any funds set forth in (a) through (d) above be placed into Escrow before the Closing Date. If the Closing Date is after one or more funding dates set forth in (a) through (d) above, the funds that would have been paid on such date(s) shall be paid placed in Escrow on the Closing Date; provided, however, to the extent Available Incremental Taxes are determined to be insufficient to meet the payment schedule set forth in (a) through (d) above, the City shall make such deposit(s) as such Available Incremental Taxes become available. Payment of City Funds from Available Incremental Taxes are subject to the Prior TIF Financings. The City retains the right to fund other projects within the Redevelopment Area using Available Incremental Taxes so long as such funding would not, based upon the City's projections and uses of Available Incremental Taxes at the time the City agrees to provide such funding, result in the amount of Available Incremental Taxes being insufficient to fund the City's obligations under this Agreement.

- iii. Subject to the terms and conditions of this Agreement, payment shall be made to Brinshore (each, an "Installment") in accordance with the terms of the Escrow Agreement and upon Brinshore's submission of a draw request (the "Requisition Form") in accordance with Section 4.03(c). Such Installments shall be in the amount set for in Section 4.03(c); provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Five Million, Nine Hundred Forty-One Thousand Seven Hundred Seventy Dollars and 00/100 (\$5,941,770).
- iv. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement and the Escrow Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement or the Escrow Agreement.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the conditions set forth in parts (i), (ii), (iii) and (iv) above, as well the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.20. In the event that such conditions are not fulfilled, the amount of Lender Financing and/or Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increased, as necessary, to complete the Project.

(c) Payment Amount. (i) The Installments, to be paid pursuant to a draw request in accordance with the Escrow Agreement and upon submission of a Requisition Form, shall be as follows:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	Upon the later of 25% completion or July 1, 2010	\$ 350,000
Two	Upon the later of 50% completion or December 1, 2010	\$1,000,000
Three	Upon the later of 75% completion or February 1, 2011	\$1,682,760
Four	Upon the later of 100% completion or May 1, 2011	\$2,471,116
Five	Certificate of Completion Issued Pursuant to <u>Section 7.01</u> herein	\$ 437,894

(ii) Any delay in the construction completion date greater than six (6) months from the date set forth in **Section 3.01(ii)** shall result in the City no longer being obligated to reserve Available Increment in anticipation of paying Installments in accordance with **Section 4.03(c)(i)**.

(iii) To the extent that the actual Project costs are less than the budgeted Project costs as set forth in Project Budget (such amount being a "Surplus"), the City Funds can be reduced or reimbursed to the City (as the case may be) by the amount of the Surplus, in accordance with the terms of the Escrow Agreement.

4.04 Construction Escrow. The City, the Developer, the Title Company, the General Contractor and Lenders shall enter into an Escrow Agreement. All disbursements of City Funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement with respect to the payment of City Funds hereunder, the terms of this Agreement shall control. The City shall receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement and shall be approved, subject to compliance with **Section 8.20(a)** hereof, in accordance with the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements .

(a) **Prior Expenditures.** Only those expenditures made by Brinshore with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DCD and approved by DCD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditures**"). DCD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. **Exhibit I** hereto sets forth the prior expenditures approved by DCD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be paid to Brinshore but shall increase the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to **Section 4.01** hereof.

(b) **Subsequent Disbursements.** Disbursements of City Funds for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DCD, being prohibited, subject to the terms of **Section 3.04**. DCD shall not unreasonably

withhold its consent to such transfers so long as the Corporation Counsel has advised DCD that an expenditure qualifies as an eligible cost under the Act.

(c) City Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project (the "City Fee"). Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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

4.07 Preconditions of Disbursement. As a condition to the disbursement of City Funds hereunder, Brinshore shall submit, at the time of submission of the Requisition Form in accordance with **Section 4.03(c)**, supporting documentation regarding the applicable expenditures to DCD, which shall be satisfactory to DCD in its sole discretion. Delivery by Brinshore to DCD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification by the Developer to the City, as of the date of such request for disbursement, that:

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

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

(c) the Developer has approved all work and materials for the current Requisition Form, and such work and materials conform to the Plans and Specifications;

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

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

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

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

documents, any tax credit regulatory agreements, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Payment of City Funds. The City Funds being provided hereunder are being provided to Brinshore on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed if the number of Affordable Units at the Facility decreases during the Term of the Agreement. The payment of City Funds is subject to being terminated and/or reimbursed, as provided for in Section 1.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DCD. Such approvals shall include, without limitation, all building permits necessary for the Project.

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

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a pro forma copy of the Title Policy for the Property, certified by the Title Company, showing HLLLC as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit F hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Developer has provided to DCD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements, including any reciprocal easement agreements, and encumbrances of record with respect to the Property not addressed, to DCD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under (a) the Developer's names, (b) Hairpin Lofts Manager, LLC, and (c) Anixter (collectively, the "Related Entities") as follows:

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

showing no liens against the Developer, the Property, the Related Entities or any fixtures now or hereafter affixed thereto, except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company.

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

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

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as **Exhibit J**, with such changes as required by or acceptable to Corporation Counsel.

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

5.11 Financial Statements. The Developer has provided Financial Statements to DCD for its most recently completed fiscal year, and audited, if any, or unaudited interim financial statements for the period after the end of the most recently completed fiscal year.

5.12 Documentation. Developer will have provided documentation to DCD, satisfactory in form and substance to DCD concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project.

5.13 Environmental. The Developer has provided DOE with copies of all environmental reports completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such report(s), authorizing the City to rely on such reports. If required under **Section 11.03**, the Developer has taken all necessary and proper steps to enroll the Property in the SRP. The City agrees to reasonably cooperate with the Developer in Developer's efforts to satisfy this condition, at no cost to the City.

5.14 Organizational Documents; Economic Disclosure Statement. The Developer has provided, as applicable, a copy of its Articles of Incorporation or Organization, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the Developer; and such other organizational documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of McShane Construction Company LLC, a Delaware limited liability company, as the General Contractor. The Developer shall submit copies of the Construction Contract to DCD in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an A rating or better using a bond (American Institute of Architect's Form No. A311 or its equivalent) or a letter of credit. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.07** (Employment Profile), **Section 8.08** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement), **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance)

and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF REHABILITATION

7.01 Certificate of Completion.

(a) Upon (i) satisfaction of the conditions set forth in **Section 7.01(c)** hereof, and (ii) upon Developer's written request, DCD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

(b) DCD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

(c) Developer acknowledges that the City will not issue a Certificate until the following conditions have been met:

(i) the Developer has given the City written notification that the Project, including all of the TIF-Funded Improvements, has been completed;

(ii) the Developer has provided DCD with evidence acceptable to DCD showing that Developer has completed the Project in compliance with the plans and specifications and all building permit requirements, including, without limitation, receipt of certificate(s) of occupancy for one hundred percent (100%) of the Units of the Project;

(iii) in accordance with **Section 8.20**, the COC Occupancy Covenant is met and the Occupancy Report has been approved;

(iv) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of **Section 8.08** (Prevailing Wage) and **Section 10** (Developer's Employment Obligations);

(v) the Developer has provided documentation acceptable to DCD showing that the Developer's Part Three application has been submitted and approved by the Illinois Historic Preservation Agency. If there is a lack of approval of Developer's Part Three submission, and such lack of approval (A) is the sole requirement not met for issuance of the Certificate by DCD pursuant to this Agreement, and (B) has not resulted in any reduction of funds in order to complete the Project in accordance with the scope of work approved by DCD and DZPHP in accordance with **Sections 3.02** and **3.04** hereof, then DCD, may, but shall not be obligated to, in the DCD Commissioner's sole discretion, issue the Certificate; and

(vi) the Developer has provided documentation satisfactory to the City (including written verification from the Developer's architect) that it has (A) satisfied the environmental requirements of the Project, (B) made its Design Submittal for LEED status with U.S. Green Building Council, and (C) started the Construction Submittal process for LEED status.

(d) Developer acknowledges that the City will not issue a Certificate if there exists an Event of Default under Section 15.01 which has not been cured pursuant to Section 15.03 or Section 15.04.

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

Those covenants specifically described at Sections 8.02, 8.18, 8.19, 8.20, 8.21 and 11.04 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

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

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

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

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

(a) HLLLC is an Illinois limited liability company and Brinshore is an Illinois corporation, each duly organized, validly existing, qualified to do business in Illinois, and each licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of HLLLC and Brinshore has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

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

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

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

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

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

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

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

(j) prior to the issuance of the Certificate pursuant to Section 7.01, the Developer shall not do any of the following without the prior written consent of DCD, which consent shall be in DCD's

sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except the lease of the Facility to tenants in accordance with **Section 8.19** herein) or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto); (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of the Certificate pursuant to **Section 7.01**, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

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

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

Developer represents and warrants that from the later of (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

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

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

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

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

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

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
 - 1. The partners have been residing together for at least 12 months.
 - 2. The partners have common or joint ownership of a residence.
 - 3. The partners have at least two of the following arrangements:

- a. joint ownership of a motor vehicle;
 - b. a joint credit account;
 - c. a joint checking account;
 - d. a lease for a residence identifying both domestic partners as tenants.
4. Each partner identifies the other partner as a primary beneficiary in a will.

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

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

8.02 Covenant to Redevelop. Upon DCD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or the Developer, including, without limitation, all Environmental Laws. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of the Certificate with respect thereto.

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

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

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

8.06 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor, and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to

abide by the terms set forth in **Sections 8.08 and 10** hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.08, 10.02 and 10.03** of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.08 Prevailing Wage. Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the City Housing Loan or Lender Financing, the Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "**Department**"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.08**.

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

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

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

8.12 Financial Statements. The Developer shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended December 31, 2008 and for each year thereafter within 90 days after the end of such fiscal year for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DCD may request.

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

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

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

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

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

8.15 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DCD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.16 Compliance with Laws.

(a) Representation. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.17 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and

filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City), including any/all penalties, fees, and interest associated thereto, relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

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

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DCD thereof in writing, at which time DCD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DCD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect

thereto which DCD deems advisable. All sums so paid by DCD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DCD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that for the purpose of this Agreement, the minimum assessed value of the City Property ("Minimum Assessed Value") is shown on **Exhibit K** attached hereto and incorporated herein by reference. The assessed value attributed to the Property is a portion of the Minimum Assessed Valuation shown on **Exhibit K**.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect; provided, however, nothing contained in this provision shall preclude Developer from applying for and receiving any reduction in the amount of real estate taxes payable for the Project or the Property, subject to the provisions of clause (iii) below.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount allocated by the Cook County Assessor's Office for the Property from the total of the Minimum Assessed Value as shown in **Exhibit K**; provided, however, the Developer is permitted to apply for a Class 9 or L designation from Cook County even if such designation with respect to the Property would result in an assessed value below the Minimum Assessed Value allocated for the Property.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the amount allocated by the Cook County Assessor's Office for the Property from the total Minimum Assessed Value as shown in **Exhibit K**; provided, however, the Developer is permitted to apply for a Class 9 or L designation from Cook County.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this **Section 8.18(c)** are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense,

with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale (including, without limitation, any sale and leaseback), lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof, including the transfer of title from Anixter to HLLLC, shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this **Section 8.18(c)** to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this **Section 8.18(c)**.

8.19 Affordable Housing Covenant. The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a Lender, the provisions of that certain Regulatory Agreement executed by and between the Developer and DCD as of the date hereof shall govern the terms of the Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall be operated and maintained solely as residential rental housing;

(b) All of the Affordable Units in the Facility shall be available for occupancy to and be occupied solely by one or more persons qualifying as Low Income Families (as defined below) upon initial occupancy; and

(c) All of the Affordable Units in the Facility have monthly rents, payable by the respective tenant, at or below 60% of the Chicago-area median income in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this **Section 8.19**, the following terms has the following meanings:

(i) "**Family**" shall mean one or more individuals, whether or not related by blood or marriage; and

(ii) "**Low Income Families**" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

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

(f) The City and the Developer may enter into a separate agreement to implement the provisions of this **Section 8.19**.

8.20 Occupancy; Permitted Uses.

Developer shall cause the lease of 75% of the Units on or before the date of request for and at the date issuance of the Certificate of Completion (the "COC Occupancy Covenant"). At the time the COC Occupancy Covenant is met and for each Reporting Period, the Developer shall deliver a compliance report to the satisfaction of the City, which shall include a certified tenant rent roll along with such other information as the City shall request (the "Occupancy Report"), demonstrating, among other things, compliance with **Section 8.19** hereof. Developer shall cause the Facility to be used in accordance with **Section 8.19** hereof and the Redevelopment Plan. The covenants contained in this **Section 8.20** shall run with the land and be binding upon any transferee for the term of this Agreement.

8.21 Annual Report. Developer shall provide to DCD an Annual Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications to evidence that all ongoing requirements have been satisfied during the preceding reporting period. The Annual Report shall be submitted each year, for ten (10) years, on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "**Reporting Period**"). Failure by the Developer to submit the Annual Report shall constitute an Event of Default under **Section 15.01** hereof, without notice or opportunity to cure pursuant to **Section 15.03** hereof. The covenants contained in this **Section 8.21** shall run with the land and be binding upon any transferee for the term of this Agreement.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and pursuant to any City rider to the Construction Contract, shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at

least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were

employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.**

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

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

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

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

- (1) At least twenty-four percent (24%) by MBEs.
- (2) At least four percent (4%) by WBEs.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both

a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this **Section 10.03**. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor with a non MBE/WBE General Contractor or subcontractor without the prior written approval of DCD.

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

11.01 "AS IS" SALE. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

11.02 The Developer hereby represents and warrants to the City that the Developer has performed a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E1527-05 standard ("Phase I") and other environmental studies sufficient to conclude that the Project may be rehabilitated, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the ordinance authorizing the City Housing Loan, all ordinances authorizing the issuance of the TIF Bonds, if any, and the Redevelopment Plan. The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property.

11.03 Environmental Remediation. Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, DOE shall have the right to review and approve the Phase I and any other reports prepared for the Property. Upon DOE's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project, including, without limitation, updating or expanding the Phase I and performing initial or additional Phase II testing. If the environmental reports for the Property disclose the presence of contaminants exceeding TACO Tier I residential remediation objectives on or under the Property, the Developer shall enroll the Property in the IEPA's SRP Program and take all necessary steps to obtain a Draft NFR Letter. Unless DOE determines that it is not necessary to enroll the Property in the SRP, the Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and DOE approves, a Draft NFR Letter. After DOE approves the Draft NFR Letter, the Developer covenants and agrees to complete all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws ("Environmental Remediation"). If Environmental Remediation is required on the Property, the Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for

the Property, which approval shall not be unreasonably withheld. The City shall have the right to approve the ROR, RAP and RACR for the Property and any changes or modifications thereto, which approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Environmental Remediation. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation.

11.04 Release and Indemnification. The Developer, on behalf of itself and anyone claiming by, through or under it, hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

11.05 Release Runs with the Land. The covenant of release in Section 11.04 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of its current or former officers, directors, employees, agents, predecessors, successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because Section 11.04 contains a full, complete and final release of all such claims.

11.06 Survival. This Section 11 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A

claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

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

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, cancelled, or non-renewed by the insurer; provided, however, 10 days prior written notice shall be given to the City in the event that coverage is cancelled for non-payment of insurance premiums.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractor(s).

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

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

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

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

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

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

(v) any act or omission by Developer or any Affiliate.

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

the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's

debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

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

(h) the occurrence of an event of default under the Lender Financing, including but not limited to a Funding Lender Event of Default as set forth in the City Housing Agreement, which default is not cured within any applicable cure period;

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

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

(k) the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City; provided however, transfers of investor member interests or the removal of the managing member, in each case in accordance with HLLLC's operating agreement shall require only notice to the City.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a natural person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of HLLLC's operating interests.

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

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the

event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of and default made or tendered by HLLLC's managing member or investor member shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

15.04 Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such Event of Default as follows:

(a) if the Event of Default is a monetary default, the Lender may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lender of such notice from the City; and

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.04(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 30 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 30 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Funds shall occur until such time as such Personal Developer Default is cured.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

(c) Prior to the issuance of the Certificate pursuant to **Section 7.01** hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DCD.

SECTION 17. NOTICE

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

If to the City: City of Chicago
Department of Community Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

With Copies To: City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602

If to the Developer: Hairpin Lofts, LLC and Brinshore 2800 Corp.
c/o Brinshore Development LLC
666 Dundee Road, Suite 1102
Northbrook, IL 60062
Attention: Richard Sciortino

With Copies To: Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, IL 60607
Attention: Debra A. Kleban

and to: Citi Community Capital
Asset Management
325 E. Hillcrest Drive, #160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Management
Loan/Transaction/File #: 6817

and to: Citi Community Capital
Middle Office
390 Greenwich, 2nd Floor
New York, New York 10013
Attention: Desk Head
Loan/Transaction/File #: 6817

and to: Citigroup Inc.
Citi Community Capital
Municipal Securities Division
388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
Loan/Transaction/File #: 6817

and to: Citicorp Municipal Mortgage Inc.
Citi Community Capital
c/o 701 East 60th Street, N
Sioux Falls, South Dakota 57117
Attention: Loan Administrator
Loan/Transaction/File #: 6817

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

SECTION 18. MISCELLANEOUS

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

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

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

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

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

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

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

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

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

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

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

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

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

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

18.15 Assignment. Except as permitted in accordance with a Permitted Lien, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Sections 8.18** (Real Estate Provisions) and **8.22** (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be

enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

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

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

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

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

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

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

the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

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

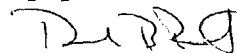
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IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.


HAIRPIN LOFTS, LLC,
an Illinois limited liability company

By: Hairpin Lofts Manager, LLC,
an Illinois limited liability company,
its Manager

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Managing Member

By: 
Name: David B. Brint
Title: President

BRINSHORE 2800 CORP.,
an Illinois corporation

By: 
David B. Brint, President

CITY OF CHICAGO

By: _____
Christine Raguso, Acting Commissioner
Department of Community Development

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

HAIRPIN LOFTS, LLC,
an Illinois limited liability company

By: Hairpin Lofts Manager, LLC,
an Illinois limited liability company,
its Manager

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Managing Member

By: _____
Name: David B. Brint
Title: President

BRINSHORE 2800 CORP.,
an Illinois corporation

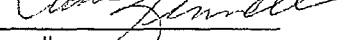
By: _____
David B. Brint, President

CITY OF CHICAGO
By: Christine Raguso
Christine Raguso, Acting Commissioner
Department of Community Development

ACKNOWLEDGMENT AND AGREEMENT

The undersigned hereby acknowledges and agrees that Lester and Rosalie Anixter Center will acquire and transfer the Property subject to the terms and conditions of Section 3.13 of this Agreement.

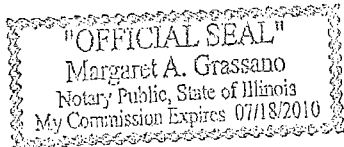
LESTER AND ROSALIE ANIXTER CENTER,
an Illinois not-for-profit corporation

By: 
Paul Finnell
Vice President of Administrative Services

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Margaret A. Grassano, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Brint, personally known to me to be the President of Brinshore 2800 Corp., an Illinois corporation, ("Brinshore") and the managing member of Hairpin Lofts Manager, LLC, an Illinois limited liability company ("Manager"), the manager of Hairpin Lofts, LLC, an Illinois limited liability company, ("Hairpin") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the board of directors of Brinshore, as his free and voluntary act, as the free and voluntary act of Brinshore, Manager and Hairpin, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 26th day of March, 2010.



(SEAL)

Margaret A. Grassano
Notary Public

My Commission Expires 7-18-2010

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Margaret A. Grassano, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Paul Finnell, personally known to me to be the Vice President of Administrative Services of Lester and Rosalie Anixter Center, an Illinois not-for-profit corporation, ("Anixter") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the board of directors of Anixter, as his free and voluntary act, as the free and voluntary act of Anixter, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 26th day of March, 2010.

Margaret A. Grassano
Notary Public

My Commission Expires 7-18-2010

(SEAL)



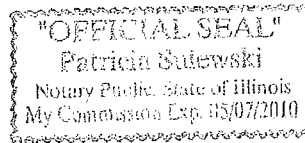
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

March GIVEN under my hand and official seal this 31st day of 2010.

Patricia Sulewski
Notary Public

My Commission Expires 5/7/10



**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

See Attached.

Appendix B.

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

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

Parcel 1:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Parcel 2:

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

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

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

EXHIBIT B
RESIDENTIAL
LEGAL DESCRIPTION

LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, TAKEN AS A TRACT, LESS AND EXCEPT THAT PART THEREOF DESCRIBED BELOW:

COMMERCIAL PARCEL C1

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 19.49 FEET; THENCE NORTH 00°25'27" EAST, 18.03 FEET; THENCE NORTH 89°34'33" WEST, 7.63 FEET; THENCE NORTH 00°25'27" EAST, 11.99 FEET; THENCE NORTH 89°34'33" WEST, 4.00 FEET; THENCE NORTH 00°25'27" EAST, 10.76 FEET; THENCE NORTH 40°25'27" EAST, 3.79 FEET; THENCE NORTH 44°28'25" WEST, 0.33 FEET; THENCE NORTH 40°25'27" EAST, 13.46 FEET; THENCE SOUTH 49°34'33" EAST, 9.98 FEET; THENCE NORTH 41°06'29" EAST, 47.07 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THE REMAINING COURSES BEING ALONG THE PERIMETER LINES OF SAID TRACT; THENCE NORTH 49°29'35" WEST, 25.94 FEET; THENCE SOUTH 40°30'25" WEST, 58.83 FEET; THENCE SOUTH 00°17'06" EAST, 55.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C2A

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF

SAID TRACT; THENCE NORTH 00°17'06" WEST, ALONG THE WESTERLY LINE OF SAID TRACT, 55.21 FEET; THENCE NORTH 40°30'25" EAST, ALONG THE WESTERLY LINE OF SAID TRACT, 58.83 FEET TO THE NORTHERLY MOST CORNER THEREOF; THENCE SOUTH 49°29'35" EAST, ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 32.27 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 41°06'29" WEST, 40.46 FEET; THENCE NORTH 49°23'47" WEST, 6.33 FEET; THENCE NORTH 41°06'29" EAST, 40.45 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE SOUTH 49°29'35" EAST, 6.33 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C2B

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +48.77 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 25.86 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°05'28" WEST, 24.09 FEET; THENCE SOUTH 89°34'33" EAST, 9.20 FEET; THENCE NORTH 17°06'59" EAST, 9.12 FEET; THENCE NORTH 72°20'59" WEST, 0.42 FEET; THENCE NORTH 17°06'59" EAST, 4.52 FEET; THENCE NORTH 17°06'59" EAST, 8.10 FEET; THENCE NORTH 73°36'04" WEST, 1.25 FEET; THENCE NORTH 49°23'47" WEST, 11.54 FEET; THENCE SOUTH 41°06'29" WEST, 6.62 FEET; THENCE NORTH 49°34'33" WEST, 9.98 FEET; THENCE SOUTH 40°25'27" WEST, 12.54 FEET; THENCE NORTH 44°28'25" WEST, 15.54 FEET TO THE WESTERLY LINE OF SAID TRACT; THE REMAINING COURSES BEING ALONG THE PERIMETER LINES OF SAID TRACT; THENCE NORTH 40°30'25" EAST, 58.26 FEET; THENCE SOUTH 49°29'35" EAST, 155.53 FEET; THENCE NORTH 89°36'08" WEST, 130.34 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C3A

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF

SAID TRACT; THENCE NORTH 00°17'06" WEST, ALONG THE WESTERLY LINE OF SAID TRACT, 55.21 FEET; THENCE NORTH 40°30'25" EAST, ALONG THE WESTERLY LINE OF SAID TRACT, 58.83 FEET TO THE NORTHERLY MOST CORNER THEREOF; THENCE SOUTH 49°29'35" EAST, ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 32.27 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 41°06'29" WEST, 40.46 FEET; THENCE NORTH 49°23'47" WEST, 6.33 FEET; THENCE SOUTH 41°06'29" WEST, 8.10 FEET; THENCE SOUTH 00°05'32" EAST, 3.58 FEET; THENCE SOUTH 72°19'30" EAST, 8.06 FEET; THENCE SOUTH 17°19'36" WEST, 1.77 FEET; THENCE SOUTH 72°38'41" EAST, 6.43 FEET; THENCE NORTH 17°06'59" EAST, 9.02 FEET; THENCE NORTH 41°06'29" EAST, 38.96 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE NORTH 49°29'35" WEST, 6.36 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C3B

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +81.82 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 25.86 FEET; THENCE NORTH 00°05'28" WEST, 24.09 FEET; THENCE SOUTH 89°34'33" EAST, 9.20 FEET; THENCE NORTH 17°06'59" EAST, 9.12 FEET; THENCE NORTH 72°20'59" WEST, 0.42 FEET; THENCE NORTH 17°06'59" EAST, 4.52 FEET TO THE POINT OF BEGINNING; THENCE NORTH 17°06'59" EAST, 8.10 FEET; THENCE NORTH 73°36'04" WEST, 1.25 FEET; THENCE NORTH 49°23'47" WEST, 11.54 FEET; THENCE SOUTH 41°06'29" WEST, 6.62 FEET; THENCE SOUTH 41°06'29" WEST, 1.48 FEET; THENCE SOUTH 00°05'32" EAST, 3.58 FEET; THENCE SOUTH 72°19'30" EAST, 8.06 FEET; THENCE SOUTH 17°19'36" WEST, 1.77 FEET; THENCE SOUTH 72°38'41" EAST, 6.02 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C3C

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +96.24 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +81.82 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE

SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 38.38 FEET; THENCE NORTH 00°23'52" EAST, 37.27 FEET TO THE POINT OF BEGINNING; THENCE NORTH 72°38'41" WEST, 6.02 FEET; THENCE NORTH 17°19'36" EAST, 1.77 FEET; THENCE NORTH 72°19'30" WEST, 8.06 FEET; THENCE NORTH 00°05'32" WEST, 3.58 FEET; THENCE NORTH 41°06'29" EAST, 24.57 FEET; THENCE SOUTH 49°23'45" EAST, 10.92 FEET; THENCE SOUTH 41°06'29" WEST, 12.00 FEET; THENCE SOUTH 17°06'59" WEST, 12.42 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C3D

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +126.00 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +96.24 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 26.04 FEET; THENCE NORTH 00°06'39" WEST, 39.51 FEET; THENCE NORTH 89°53'21" EAST, 20.59 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 79°14'48" EAST, 11.05 FEET; THENCE NORTH 40°25'27" EAST, 11.95 FEET; THENCE NORTH 49°23'47" WEST, 17.53 FEET; THENCE SOUTH 41°06'29" WEST, 17.48 FEET; THENCE NORTH 49°23'47" WEST, 12.24 FEET; THENCE NORTH 41°06'29" EAST, 22.48 FEET; THENCE SOUTH 49°23'47" EAST, 29.70 FEET; THENCE NORTH 40°25'27" EAST, 3.98 FEET; THENCE SOUTH 49°34'33" EAST, 22.00 FEET; THENCE SOUTH 40°25'27" WEST, 13.01 FEET; THENCE NORTH 79°14'48" WEST, 33.32 FEET; THENCE NORTH 00°05'28" WEST, 4.07 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C3E

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +126.00 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +108.66 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 26.04 FEET; THENCE NORTH 00°06'39" WEST, 19.23 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89°34'33" EAST, 20.58 FEET; THENCE

NORTH 00°05'28" WEST, 20.47 FEET; THENCE SOUTH 89°53'21" WEST, 20.59 FEET; THENCE SOUTH 00°06'39" EAST, 20.28 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C3F

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +126.00 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +96.24 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 26.04 FEET; THENCE NORTH 00°06'39" WEST, 19.23 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89°34'33" EAST, 22.56 FEET; THENCE SOUTH 00°25'27" WEST, 9.67 FEET; THENCE NORTH 89°34'33" WEST, 22.47 FEET; THENCE NORTH 00°06'39" WEST, 9.67 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPT,

COMMERCIAL PARCEL C4

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 34.39 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°05'28" WEST, 10.27 FEET; THENCE NORTH 89°34'33" WEST, 1.08 FEET; THENCE NORTH 01°20'08" WEST, 7.60 FEET; THENCE NORTH 17°06'59" EAST, 29.15 FEET; THENCE NORTH 41°06'29" EAST, 38.96 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE SOUTH 49°29'35" EAST, ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 116.90 FEET TO THE EAST MOST CORNER OF SAID TRACT; THENCE NORTH 89°36'08" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 121.81 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 3414 WEST DIVERSEY AVENUE, CHICAGO, IL
PERMANENT INDEX NUMBERS: 13-26-225-015-0000 AND 13-26-225-016-0000

HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Construction	\$6,953,016
TOTAL:	\$6,953,016*

* The maximum amount of City Funds provided to the Developer shall not exceed \$5,941,770.

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT D

REDEVELOPMENT PLAN

See Attached.

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT E

CONSTRUCTION CONTRACT

See Attached.

STANDARD FORM OF AGREEMENT BETWEEN
OWNER AND CONTRACTOR

AGREEMENT made as of the 29th day of March in the year of 2010

BETWEEN the Owner:

Hairpin Lofts LLC and Hairpin Retail LLC and Brinsbore 2800 Corp.
666 Dundee Road, Suite 1102 666 Dundee Rd, Suite 1102 666 Dundee Rd, Suite 1102
Northbrook, IL 60062 Northbrook, IL 60062 Northbrook, IL 60062

And the Contractor:

McShane Construction Company LLC
9550 W. Higgins Road, Suite 200
Rosemont, IL 60018

The Project is:

Hairpin Lofts and Logan Square Community Arts Center
2800 N. Milwaukee Avenue
Chicago, Illinois

The Architect is:

Hartshorne Plunkard Architects
232 N. Carpenter
Chicago, IL 60607

The Owner and the Contractor agree as set forth below:

TERMS AND CONDITIONS OF THE AGREEMENT
BETWEEN OWNER AND CONTRACTOR

ARTICLE 1 THE CONTRACT DOCUMENTS

1.1 The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or Modifications. The Contract Documents are enumerated in Article 15.

1.2 The intent of the Contract Documents is to include all of the Work for the Guaranteed Maximum Price and within the Contract Time. The plans and specifications are to be considered as cooperative and all Work reasonably inferred for the execution of the Work if shown on the plans and not described in the specifications or described in the specifications and not shown on the plans, or any Work which is obviously necessary to complete the Work within the intent established by the plans and specifications, shall be considered as part of the Contract, and shall be executed by the Contractor in the same manner and with the same character of material as other portions of the Contract without extra compensation.

1.3 Owner is an intended third party beneficiary of all contracts with design professionals, subcontracts, purchase orders and other agreements between the Contractor and third parties. Contractor shall incorporate the obligations of this Agreement with the Owner in its respective contracts with design professionals, subcontracts, supply agreements, purchase orders and other agreements. In any event, Contractor shall, subject to the rights, if any, of the issuer or surety of the payment bond and the performance bond for the Project, collaterally assign all of the Contractor's rights, title, interest and benefits (specifically excluding any responsibility or liability of the Contractor thereunder) to the Owner, provided that Contractor has been

compensated for such rights, title, interest and benefits.

The Contractor shall perform the Work in accordance with the intent of the plans and specifications. The Contractor hereby certifies that it has reviewed the plans and specifications before it executed the Contract and has had an opportunity to submit requests for clarification, if any, and obtain necessary information about completing the construction for the Project, including but not limited to both the labor and material costs for the duration of the Project. As such, the Contractor acknowledges that the Project can be constructed as designed for the Guaranteed Maximum Price, except for changes directed by the Owner. The Contractor shall not be entitled to any additional compensation for any change orders or extra work which are necessary due to any errors, omissions or discrepancies in the Contractor's estimate. Contractor shall cooperate with Owner in satisfying any requirements or assurances from Owner's lender, provided that Contractor shall not be required to subordinate its lien rights.

ARTICLE 2 THE WORK OF THIS CONTRACT

2.1 The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

2.2 The Contract Documents provide for all labor, material, supervision, and services necessary to complete the Project as described herein and in Exhibit B, except for those items specifically excluded from the Contract. Owner shall obtain and pay for all testing and inspections required by any governmental entity having jurisdiction over the Project.

2.3 Without limiting the foregoing, but in further explanation of the Work to be covered by the Contract Documents, the Work shall include, as well, the following: (a) all work shown or reasonably implied on the Plans and Specifications referenced in Exhibit B, unless the work is specifically marked on the drawings and clearly initialed by the Owner as expressly not to be included in the limits of this Contract (b) any and all labor, supervision, work, materials, equipment, inspections, testing and licenses required to perform the Work in a safe and sound manner following standard construction means and methods and general requirements, (c) all of the Plans and Specifications are meant to be complimentary and not contradictory. Accordingly, in instances where a portion of the work indicated has not been fully coordinated among the various contract documents or where discrepancies exist on the drawings about the Work to be performed, the design that the Owner determines to be the most beneficial to him that is in the base scope of work outlined in Exhibit B shall take precedence, and (d) the responsibility for all portions of the Work required to prepare the units in accordance with all contract documents referred to herein. The Contractor understands and agrees that the timing and the coordination of the Work must be consistent with the scope and schedule for all other work to be performed during the construction of all components intended to comprise the Project.

ARTICLE 3 RELATIONSHIP OF THE PARTIES

3.1 The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Contractor's skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

3.2 The Contractor acknowledges that it is one of several members of a team to construct the Project. The members of the team are the Architect, the Owner and Contractor. The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants to work with the Owner and Architect to design, redesign and construct the Project within the Project Budget and for the Guaranteed Maximum Price stated herein.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

4.1 The date of commencement of the Work shall be March 29, 2010 providing;

- a. Owner and Contractor establish the Guaranteed Maximum Price per Article 5.2 herein, and
- b. Owner secures all necessary building permits, and

c. Owner and Contractor both execute and record this Contract.

~~Pre construction design services shall proceed upon the execution of this Construction Agreement. In no case shall the date of commencement extend past October 1, 2004.~~

~~(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed).~~

If, prior to commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

4.2 The Contract Time shall be measured from the date of commencement.

~~4.3 The Contractor shall achieve Substantial Completion, as defined in Article 9.8.1 of the modified General Conditions of the Contract AIA 2011, of the entire Work in seven (7) separate and distinct phases which shall be referred to as "Interim Dates," as follows (to be shown as such on the Contractor's Base Line Critical Path Construction Schedule due within 10 days of Contractor's receipt of Owner's Notice to Proceed, to be attached hereto as Exhibit A as well as on the Building and Unit Delivery Schedule attached as Exhibit A 1):~~

Phase I: Floors 1, 2, and 3 (5 public housing units, 12 market rate units, common space)	December 27, 2005	11 market rate units	January 3, 2006
Phase III: Floor 5 (5 public housing units, 11 market rate units)	17, 2006		
Phase IV: Floor 6 (5 public housing units, 11 market rate units)	31, 2006		
Phase V: Floor 7 (5 housing units, 11 market rate units)	14, 2006		
Phase VI: Floor 8 (5 public housing units, 11 market rate units)	28, 2006		
Phase VII: Floor 9 (4 public housing units, 12 market rate units)	March 14, 2006		

The Contractor shall achieve Substantial Completion on March 1, 2011 of the entire work as indicated on Exhibit A from the date of commencement per the attached schedule. Substantial Completion shall include, but not be limited to, the completion of all the Work necessary to comply with all of the requirements of the jurisdiction where the Project is located to enable the Owner to occupy the premises constructed for their intended purpose (for example, in some jurisdictions, these requirements are satisfied by the Contractor securing Certificates of Occupancy or Temporary Certificates of Occupancy) as defined in paragraph 9.8.1 of the General Conditions.

All Certificates of Occupancy or Partial Certificates of Occupancy, are to be obtained by Contractor and delivered to Owner at or before substantial completion. Time is of the essence. This date shall be referred to as the "Certificate of Occupancy Completion Date".

~~(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work)~~

,subject to adjustments of this Contract Time as provided in the Contract Documents.

4.4.1 Within thirty (30) days after execution of the Contract, the Contractor will submit to the Owner a Baseline Construction Schedule, in bar chart form, using professional Construction Scheduling Software that establishes the project's critical path by incorporating all applicable project tasks.

The Baseline Construction Schedule will, at a minimum, specify; (1) the time periods (duration from start to finish) for the performance of all of the tasks to be completed by both Contractor and Owner's other contractors/vendors (including private utility companies), and will include, in particular, those project tasks listed in Exhibit A-3 to this Contract, attached hereto. Furthermore, it will incorporate all critical, dependent relationships between every and all items of Work required on the Project in accordance with the Plans and Specifications listed in Exhibit B, attached hereto, and intended by those same Contract Documents. The Baseline Construction Schedule must demonstrate that the Work will be performed so as to meet the interim and completion dates set forth in Article 4.2, the dates for which must be shown on the

Baseline Schedule. The critical path activities shall be highlighted and/or distinguished visually, in some way from the non-critical activities scheduled. Contractor shall endeavor to show all applicable float time for noncritical activities, if applicable. Longer-duration activities shall be broken into sub-activities when the Work and completion dates set forth require that the project be delivered in separate phases, such as where the Work involves the construction of non-contiguous building structures (buildings and/or dwellings that stand apart). As part of the Baseline Construction Schedule, Contractor also agrees to include a critical path submittal schedule (for all submittals specified in the Plans and Specifications) that is logically tied into all applicable construction tasks and that incorporates the dependent relationships between submissions, reviews, approvals, resubmissions and re-approvals, and ultimately the ordering of construction materials and equipment as they are needed for installation in accordance with Contractor's Baseline Construction Schedule. At a minimum, the Submittal schedule will include: 1) All specific materials, equipment, systems, etc. that are specified on the Plans and Specifications listed herein, 2) the date by which the submittals are to be received by the Architect for their review, the date by which the submittal(s) are to be reviewed, commented on and/or approved by the Architect, 3) If necessary, the date by which the submittal is to be corrected and resubmitted to the Architect for subsequent review and approval, and 4) the date by which the approved submittal is to be received by the Contractor in order to maintain the critical path Baseline Construction Schedule. Except in the case of an emergency which requires an immediate response, the Architect shall respond to all Requests for Information (RFIs) from the Contractor within 72 hours of receipt of such request. Architect shall review shop drawings within 10 working days unless Owner directs otherwise.

4.4.2 As the project progresses, Contractor agrees to track the actual progress of the construction against the Baseline Construction Schedule and agrees to present this comparison to the Owner for his review and comment, at least once every two calendar weeks. Contractor agrees to present this comparison, visually, in bar chart format, in a way that the Owner can readily distinguish, visually, the difference, if any, between the start and finish dates of the tasks established by the Baseline Construction Schedule versus the start and finish dates of those same tasks representing the Contractor's actual progress of the Work. Contractor agrees throughout the duration of the Project, to make any and all necessary adjustments to the Baseline Construction Schedule that take all applicable and relevant changes to the Project (both critical and non-critical) into account. Contractor agrees to obtain Owner's approval, in writing, before proceeding to update and/or modify, in any way, the original Baseline Construction Schedule that is established within thirty (30) days after the execution of the Contract.

4.4.2(a) Contractor acknowledges that Owner may apply for qualified low income tax credits pursuant to Section 42 (b)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the "Code") (commonly referred to as 9% tax credit allocation), qualified low-income tax credits pursuant to Section 42 (b)(2)(B)(ii) of the Internal Revenue Code of 1986, as amended (the "Code") (commonly referred to as 4% tax credit allocation), and that time is of the essence in the completion of the Work. Contractor shall perform the Work in accordance with the Base Line Schedule as well as within the Milestone Dates and completion dates specified in Section 4.2, and shall modify the Base Line Schedule to address any of the Owner's comments. The times set forth in Section 4.2 for all Milestone Dates and the time of completion must govern, and the Baseline Construction Schedule must be adjusted to meet these dates. Contractor acknowledges that if Contractor fails to complete the Project within the time specified or abandons the Project and a substitute contractor does not complete the Project within the time specifically identified herein and agreed upon, the Owner will be substantially damaged thereby, including, but not limited to, the loss of the tax credits incentive for the Project and/or the overall development costs for the project. Contractor agrees that except for force majeure and other factors beyond its control as described in paragraph 8.3.1 of the General Conditions, by the date(s) set forth in Section 4.2, it will obtain, in accordance with all applicable governing building codes and authorities the necessary approvals and certifications that provide the Owner with the right to legally occupy the premises being constructed hereunder (such approvals and certifications might include, as an example, depending on the governing jurisdiction(s) of a particular project, Final Inspections and Sign-offs of the Work, Temporary Certificates of Occupancy, or Certificates of Occupancy). In the event that Contractor fails to complete the Work by the Substantial Completion Date established in 4.2, Contractor shall be liable to Owner for liquidated damages resulting therefrom in the amount of Five Hundred dollars (\$500.00) per calendar day thirty (30) days beyond the date established in 4.2, until Contractor achieves completion of the Work per Section 4.2.

4.4.3 Contractor shall submit to Owner monthly with each application for payment, three copies of a Monthly Status Report in such form as Owner reasonably requests. Each Monthly Status Report shall concisely but completely describe, in narrative form, the then current status of the Work including, without limitation:

4.4.3.1 A review of the actual progress of the Construction during the previous month, in comparison to the Baseline Construction Schedule and if actual progress is behind schedule, identification of exact measures to be taken by Contractor to accelerate the work such that the actual progress of construction is brought back to run parallel to and/or ahead of, by a date certain to be determined by Contractor and reviewed by Owner, the Progress Schedule approved as of that point in time.

4.4.3.2 A concise statement of the outlook for meeting future Progress Schedule dates, and the reasons for any change in outlook from the previous report;

4.4.3.3 A review of any significant technical problems encountered during the month and the resolution or plan for resolution of such problems;

4.4.3.4 An explanation of any corrective action taken or proposed;

4.4.3.5 A complete review of the status of Change Orders, pending and approved, if any, including how the changes orders affect the Guaranteed Maximum Price and a review of any changes in the critical path of the construction as shown on the Progress Schedule which result from Change Orders approved by Owner during the month, as well as a review of the schedule impact of Change Order requests then pending; and

4.5 In the case of acceleration directed by the Owner either as to the final completion date or any interim date, the Contractor shall be notified in writing to such effect and the Contractor, after obtaining Owner's written authorization, shall require its forces and/or its subcontractor's forces to work such overtime hours as may be necessary. Contractor will be entitled to additional compensation for that portion of Contractor's Work that is performed for the reason of accelerating, at the Owner's request, either the final completion date or any interim date. However, Contractor need not proceed with the acceleration of the Work until it has obtained the Owner's written authorization to do so, which shall include a not to exceed dollar value that the Owner agrees to pay Contractor for the acceleration of the Work directed by Owner.

ARTICLE 5 BASIS FOR PAYMENT

5.1 CONTRACT SUM

5.1.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor's Fee.

5.1.2 The Contractor's Fee is:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee, and describe the method of adjustment of the Contractor's Fee for changes in the Work.)

The Contractor shall be paid a fee of eight percent (8%) of the Cost of the Work excluding General Conditions. The Contractor's Fee is comprised of Contractor's Overhead (2%) and Builder's Profit (6%).

The Contractor shall invoice for its fee per Article 12 of this Contract. Cost of the Work shall include all divisions. Allowances, alternates, unit prices and upgrades do not include the Contractor's Fee or overhead.

5.1.3 Contractor acknowledges that it is the goal of the Owner to limit change orders on this Project. All change orders must be in writing and approved by the Owner prior to any work being performed by the Contractor. Owner shall not be liable for any claim for work performed without a prior signed change order. All proposed change orders shall include labor rates with hours, material list with all quantities and costs, list of all equipment needed with rates, taxes, and subcontractor quotes. In the event of Owner initiated change orders signed by the Owner, the change order amount is to be derived as follows: lump sum line item amount (including subcontractor markups for overhead and profit of no more than 10%), plus the Contractor's markup of eight percent (8%) of the Cost of the Work plus 1% for bond and 1.7% for insurance. No allowances will be made for General Conditions, unless such allowance is included in the written Change Order signed by the Architect, Owner and Contractor.

5.1.4 The Contractor acknowledges that the Owner may not be permitted by its lenders, investors, or the Housing Authority to enter into a Change Order without obtaining prior acceptance for changes, that will (i) materially change the gross square feet or the net usable square feet space to be contained in the Work, the basic layout of the Work, the number of parking spaces to be located on the land after completion of construction of the Work or involve the use of materials, furniture, fixtures or equipment which will not be at least equal in quality to the materials, furniture, fixtures and equipment originally specified in or required by the Plans and Specifications, (ii) in a single instance, result in an increase or decrease in the cost of constructing the Work of any amount, (iii) the aggregate cost of all such change orders result in an increase or decrease in any amount.

5.2 GUARANTEED MAXIMUM PRICE

5.2.1 The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed Ten Million One Hundred Forty-Eight Thousand Six Hundred Six Dollars and no/100 (\$10,148,606.00), subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner. A detailed trade breakdown identifying all trade components of the Guaranteed Maximum Price, in accordance with Exhibit I, GMP Schedule of Values, is attached hereto.

(Insert specific provisions if the Contractor is to participate in any savings.)

Any savings through buy-out, change in allowances, efficiencies, etc. will become part of Contractor's contingency until project completion, as described in Article 12.1.5. All subcontractor savings realized at project conclusion will go back to Owner.

5.2.2 The Guaranteed Maximum Price is based on the following assumptions, exclusions and alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

Exclusions

- A. All government fees, permits, street closure permits, sidewalk permit and expediter cost.
- B. Relocation of permanent overhead utility lines for erection of building.
- C. Environmental remediation or contaminated soil removal.
- D. Full time site security guard.
- E. City Bond or Letters of Credit.
- F. Underground obstructions or unsuitable soil remediation.
- G. A level (5) finish or skim coat for gypsum surfaces.
- H. Sound attenuation/underlayment at ceramic tile and hardwood.
- J. No work at Payless Shoe Store with the exception of new storefront and sprinklers. Work to be done during normal work hours. Work and security (by others) will need to be coordinated with tenant.
- K. Sidewalk and sidewalk landscaping.
- L. Any costs associated with reworking or relocating cell tower (2) equipment or electrical feeds.

By Owner

- A. Builder's Risk Insurance
- B. Alta Survey
- C. Homeowner's survey.
- D. Utility connection fees.
- E. Building permit and associated permit costs, except as identified in allowances.
- F. Testing and third party inspections. Owner to provide facade inspection.

(State the numbers or other identification of accepted alternate. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

5.2.3 Unit prices, if any, are as follows:

Unit prices, if any, will be defined in Exhibit 1-1.

5.2.4 Allowances, if any, are as follows:

Allowances, if any, will be defined in Exhibit 1-2 and included on Exhibit I, GMP Schedule of Values, attached hereto.

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

5.2.5 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Contractor has provided in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if issued by the Owner or Architect, shall be incorporated by Change Order.

ARTICLE 6 CHANGES IN THE WORK

6.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Article 7. of AIA Document A201-2007.

In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201-2007 shall mean the cost of the Work as defined in Article 7 of this Agreement and the terms "fee" and "a reasonable allowance for overhead and profit" shall mean the Contractor's Fee as defined in Subparagraph 5.1.2 of this Agreement.

ARTICLE 7 COSTS TO BE REIMBURSED

7.1 COST OF THE WORK

The term "Cost of the Work" shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7.

7.2 LABOR COSTS

7.2.1 Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's approval, at off-site workshops. Contractor acknowledges that there are three classes of employees of the Contractor: (i) those employees who are construction workers who perform actual labor, such as carpentry, on the Project Site; (ii) on-site supervisory and management personnel and (iii) home office personnel. Only employees listed in category (i) are included as labor whose costs are reimbursed.

7.2.2 Wages or salaries of the Contractor's supervisory and administrative personnel when stationed at the site will not be reimbursed. These costs shall be included in the Contractor's general conditions. Contractor's supervisory and administrative personnel include its superintendent, assistant superintendent, project manager, senior project manager, project engineer and secretary.

(If it is intended that the wages or salaries of certain personnel stationed at the Contractor's principal or other offices shall be included in the Cost of the Work, identify in Article 14 the personnel to be included and whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

7.2.3 Wages and salaries of the Contractor's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the work, but only for that portion of their time required for the Work.

7.2.4 Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Subparagraphs

7.2.1 through 7.2.3.

7.3 SUBCONTRACT COSTS

7.3.1 Payment made by the Contractor to Subcontractors in accordance with the requirements of the subcontract.

7.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

7.4.1 Costs, including transportation, insurance and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

7.4.2 Costs of materials described in the preceding Subparagraph 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work, or, at the Owner's option, shall be sold by the Contractor. Any amount realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work. Contractor shall provide Owner with such excess materials as specified by the Architect in the specifications.

7.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

7.5.1 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

7.5.3 Costs of removal of debris from the site and proper disposal of such debris.

7.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

7.5.5 That portion of the reasonable expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work.

7.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in writing in advance by the Owner and adequately insured, which has been documented with a purchase order.

7.6 MISCELLANEOUS COSTS

7.6.1 That portion of insurance and bond premiums at the percentages set forth in Article 5.1.3.

7.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work.

7.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to be paid for by Owner.

7.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Subparagraph 13.5.3 of AIA Document A201-2007 or other provisions of the Contract documents, and which do not fall within the scope of Subparagraph 7.7.3

7.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded in AIA Document A201-2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

7.6.7 Deposits lost for causes other than the Contractor's negligence or failure to fulfill a specific responsibility to the Owner as set forth in the Contract Documents.

7.7 OTHER COSTS AND EMERGENCIES

7.7.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

7.7.2 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Paragraph 10.4 of AIA Document A201-2007.

7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Contractor, subcontractor or supplier and only to the extent that the cost of repair or correction is not recoverable by the Contractor from insurance, sureties, Subcontractors or suppliers.

ARTICLE 8 COSTS NOT TO BE REIMBURSED

8.1 The Cost of the Work shall not include:

8.1.1 Salaries and other compensation of the Contractor's personnel stationed at the Contractor's principal office or office other than the site office, except as specifically provided in Subparagraphs 7.2.2 and 7.2.3 or as may be provided in Article 14.

8.1.2 Expenses of the Contractor's principal office and offices other than the site office.

8.1.3 Overhead and general expenses, except as may be expressly included in Article 7.

8.1.4 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.

8.1.5 Rental costs of machinery and equipment, except as specifically provided in Subparagraph 7.5.2.

8.1.6 Except as provided in Subparagraph 7.7.3 of this Agreement, costs due to the negligence or failure to fulfill a specific responsibility of the Contractor, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.

8.1.7 Any cost not specifically and expressly described in Article 7.

8.1.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS

9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (i) before making the payment, the Contractor included them in an Application for Payment and received payment therefor from the Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales or surplus materials and equipment shall accrue to the Owner, and the Contractor shall make provisions so that they can be secured.

9.2 Amounts that accrue to the Owner in accordance with the provisions of Paragraph 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS

10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or by other appropriate agreements with the Contractor. The Owner may designate specific persons or entities from whom the Contractor shall obtain bids. In conformance with the Developer Agreement dated _____ as provided to Contractor, the Contractor will competitively bid all work in a manner that is proposed by the Contractor and is subject to the approval of the Owner. The Contractor shall (i) obtain a least a minimum of three qualified bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Owner and (ii) describe to the reasonable satisfaction of the Owner its procedure for the selection of subcontractors and provide justification to the reasonable satisfaction of the Owner in every instance when the Contractor wishes to select a subcontractor that is not the lowest qualified bidder. The Owner shall then determine, with the advice of the Contractor and the Architect, which bids will be accepted. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection, if it is documented, and the Owner concurs.

10.2 If a specific bidder among those whose bids are delivered by the Contractor to the Owner (1) is recommended to the Owner by the Contractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Contractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Contractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

10.3 Subcontract or other agreement shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

ARTICLE 11 ACCOUNTING RECORDS

The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract, and the accounting and control systems shall be satisfactory to the Owner. The Owner, Investor and Lenders and the Owner's, Investor's and Lender's accountants shall be afforded access to, and shall be permitted to audit and copy, the Contractor's records, books, correspondence, instructions, drawings, receipts, invoices received and sent, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Contract, and the Contractor shall preserve these for a period of three years after final payment, or for such longer period as may be required by law. In connection with Final Payment, the Owner may require the Contractor to provide to Owner, Investor and Lenders a Cost Certification on HUD form 2328 which complies with the standards of the state housing finance agency. If required, Final Payment to the Contractor for the balance due shall occur after Owner's acceptance of Contractor's final Cost Certification, but in no case later than 60 days after Owner's receipt of Architect's certified copy of Contractor's Final Application for payment and Owner's receipt of Contractor's Cost Certification. The Contractor's cost certification is an audit, prepared by a CPA firm approved by the Owner, of the Contractor's certificate of actual costs pertaining to the project. The objective of the audit is to determine if the certificate of actual costs presents fairly, in all material respects, the actual costs of the construction project and that these costs were incurred in accordance with the terms and conditions of the Contract. In addition, The Contractor acknowledges that Owner may retain an auditor ("Auditor") to certify the costs paid by Owner to Contractor. Contractor agrees to cooperate with any such Auditor and promptly furnish all information, documents and records requested by the auditor to fulfill the assignment in a form which will permit the Auditor to perform its duties efficiently and expeditiously. Notwithstanding any other provisions to the contrary in the Contract Documents (including without limitations by AIA Documents A201 General Conditions), the acceptance of final payment by Contractor shall constitute a complete and final waiver and release of all claims by Contractor against Owner.

ARTICLE 12 PAYMENTS

12.1 PROGRESS PAYMENTS

12.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

12.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

12.1.3 Provided that a complete and accurate Application for Payment is received by the Architect not later than the 5th day of a month, the Owner shall make payment to the Contractor not later than the 5th day after Owner receives payment for such Application of Payment from the lenders, but in no case later than 55 days after Owner receives Architect's certified copy of Contractor's Application for Payment. If a complete and accurate Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner after the Architect receives and approves the Application for Payment and not later than 5 days after Owner receives payment for such Application for Payment from the lenders, but in no case later than 55 days upon Owner's receipt of Architect's certified copy of Contractor's Application for Payment.

12.1.4.1 With each complete and accurate Application for Payment, the Contractor shall, at Owner's or Lender's request, submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor; less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment. Contractor shall also

include all compliance documents reasonably required by Owner, Lenders and the City and partial waivers of lien (trailing waivers from subcontractors, current waiver from Contractor) forms.

12.1.4.2 Provided that the Owner has paid the Contractor for all undisputed work in connection with the underlying claim stated in a lien form, the Contractor hereby specifically agrees to pay any and all expenses (including attorney's fees in the event that the Contractor fails to defend) and do whatever is necessary, within five (5) working days from receipt of notice of such lien, to provide for the defense of, and to remove or bond over (to the Owner's satisfaction), any mechanic's claim or lien against the Project or the Owner by the Contractor or any of its subcontractors or materialmen for or on account of any work or labor done or materials furnished under the Contract Documents for, toward, in, or about the erection and construction of the Project. In addition, the Contractor shall not, at any time, suffer or permit any claim, lien, attachment, or other encumbrance, under the law of this State or pursuant to federal law, by any person or persons whatsoever, to remain on file against any money due or to become due for any work done or materials furnished under the Contract, and to the extent thereof until such claim, lien, attachment, or other encumbrance the Owner shall have the right to withhold the amount claimed for payment to the Contractor, unless the Contractor provides a Mechanic's Lien Release Bond in the amount of 150% of the amount of the claim.

12.1.5 Each complete and accurate Application for Payment shall be based on the most recent approved Schedule of Values on form G702/G703 submitted by the Contractor in accordance with the Contract Documents. The Schedule of Values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor's Fee shall be shown as a single separate item. The Schedule of Values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner or Architect may reasonably require. In the Schedule of Values, the Contractor shall include a line item entitled "Contingency". To the extent that, during the course of the Work and/or issuance of subcontracts there are savings in any other line item in the Schedule of Values, due to work performed by the Contractor or subcontractors, that costs less than the amount indicated in the initial Schedule of Values, or changes in the work approved by the Owner that result in cost savings, the amount of the savings shall be indicated in the Contingency line item. During the course of the Work amounts in the Contingency will be applied to shortfalls in other line items in the Schedule of Values, due to work performed by the Contractor or subcontractors that costs more than the amount indicated in the initial Schedule of Values. This schedule, unless reasonably objected to by the Architect, shall be used as a basis for reviewing the Contractor's Application for Payment.

12.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expenses that has actually been incurred by the Contractor on account of that portion of the Work for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

12.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

.1 take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amount not in dispute shall be included as provided in Subparagraph 7.3.9 of AIA Document A201-2007;

.2 add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;

.3 add the Contractor's Fee, less retainage of ten percent (10%). The Contractor's Fee shall be computed upon the Cost of the Work described in the two preceding Clauses at the rate stated in

Subparagraph 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Subparagraph, shall be an amount that bears the same ratio to the fixed-sum fee as the Cost of the Work in the two preceding Clauses to a reasonable estimate of the probable Cost of the Work upon its completion.

.4 subtract the aggregate of previous payments made by the Owner;

.5 subtract the shortfall, if any, indicated by the Contractor in the documentation required by Paragraph 12.1.4 to substantiate prior Applications for Payment; or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and

.6 subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of AIA Document A201-2007.

12.1.8 Except with the Owner's prior approval, payments to Subcontractors shall be subject to retainage of not less than ten percent (10%). The Owner and the Contractor shall agree upon a mutually acceptable procedure for review and approval of payments and retention for Subcontractors. Upon 50% completion, subject to owner approval and lender approval if required, retainage can be released for trades that have completed their work. Thereafter, retainage of 10% will continue to be withheld and can be released when trades have completed their work.

12.1.9 In taking action on the Contractor's Application for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor and shall not be deemed to represent that the Architect had made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Subparagraph 12.1.4 or other supporting data; that the Architect had made exhaustive or continuous on-site inspections or that the Architect has made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

12.2 FINAL PAYMENT

12.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Subparagraph 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment; and

.2 final Certificate for Payment has been issued by the Architect; and

.3 all compliance items reasonably required by the Owner, lenders, and the City have been approved by Owner, lenders and the City; and

.4 final lien releases and/or waivers are received by Owner in a form acceptable to the Title Company, lenders and Owner as per attached Exhibit G.

12.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment and Owner has received payment from the lenders; but in no case shall payment be made later than 55 days after Owner's receipt of Architect's certified copy of Contractor's final Certificate for Payment and Owner's receipt of Contractor's Cost Certification, if required by Owner. Contractor agrees that any and all claims by Contractor against Owner must be presented to Owner prior to the Owner's tender of final payment to Contractor.

12.2.3 The Owner's accountants will review and report in writing on the Contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the Contractor. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Contractor's final accounting, and provided the other conditions of Subparagraph 12.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's accountants, either issue to the Owner a final Certificate for Payment with a copy to the Contractor, or notify the Contractor and Owner in writing of the Architect's

reasons for withholding a certificate as provided in Subparagraph 9.5.1 of the AIA Document A201-2007. The time periods stated in this Subparagraph 12.2.3 supersede those stated in Subparagraph 9.4.1 of the AIA Document A201-2007.

12.2.4 If subsequent to final payment and at the Owner's written request, the Contractor incurs costs described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor such costs and the Contractor's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Contractor has participated in savings as provided in Paragraph 5.2, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Contractor.

ARTICLE 13 TERMINATION OR SUSPENSION

13.1 The Contract may be terminated by the Owner for convenience, as provided in Article 14 of AIA Document A201-2007. However, the amount to be paid to the Contractor under Subparagraph 14.1.3 of AIA Document A201-2007 shall not exceed the amount the Contractor would be entitled to receive under Paragraph 13.2 below.

13.2 The Contract may be terminated by the Owner for cause as provided in Article 14 of AIA Document A201-2007. The amount, if any, to be paid to the Contractor under Subparagraph 14.2.4 of AIA Document A201-2007 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

13.2.1 Take the Cost of the Work incurred by the Contractor to the date of termination;

13.2.2 Add the Contractor's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Subparagraph 5.1.2, or, if the Contractor's Fee is stated as a fixed sum in that Subparagraph, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

13.2.3 Subtract the aggregate of previous payments made by the Owner.

13.3 The Owner shall also pay the Contractor fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Contractor that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Subparagraph 13.2.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Contractor shall as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

13.4 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Subparagraph 14.3.2 of AIA Document A201-2007 except that the term "profit" shall be understood to mean the Contractor's Fee as described in Subparagraph 5.1.2 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 Where reference is made in this Agreement to a provision AIA Document A201-2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

14.2 The Owner's representative is:

Mr. Adam Natenshon
Brinshore Development LLC
666 Dundee Road, Suite 1102
Northbrook, IL 60062
224/927-5051

14.3 The Contractor's representative is:

Mr. Mark T. Tritschler
McShane Construction Company LLC
9550 W. Higgins Road, Suite 200
Rosemont, IL 60018
847/692-8961

14.4 The Owner's and Contractor's representative have the authority to bind the Owner and Contractor.

14.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days' written notice to the other party.

14.6 Other provisions

14.6.1 Contractor's Representations and Warranties. Contractor represents and warrants the following to Owner (in addition to any other representations and warranties contained in the Contract Documents) as an inducement to the Owner to execute this Agreement, which representations and warranties shall survive the execution and delivery of this Agreement, any termination of this Agreement, and the final completion of the Work:

a. That it is financially solvent; able to pay all debts as they mature and possessed of sufficient working capital to complete the Work and perform all obligations hereunder;

b. That it is able to furnish the plant, tools, materials, supplies, equipment and labor required to complete the Work and performance obligations hereunder; that it is authorized to do business in the State where the Project is located and properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and over the Work and the Project;

c. That all the Work to be performed by or on behalf of Contractor, as represented by the Specifications and Drawings, will be performed by duly licensed professionals authorized to do business in the State if applicable and within the particular jurisdiction where the Project is located and that all work performed is done so in accordance with the Specifications and Drawings listed herein;

d. That its execution of this Agreement and its performance thereof is within its duly authorized powers;

e. That its duly authorized representative has visited the site of the Project, is familiar with the local and project specific conditions under which the Work is to be performed and has correlated on-site observations with the requirements and conditions of the Contract Documents; and

f. That it possesses a high level of experience and expertise in the business administration, construction, construction management and superintendence of projects of the size, complexity and scheduling requirements and nature of this particular Project.

14.6.2 No action, conduct, omission, prior failure or course of dealing by the Owner shall act to waive, modify, change, or alter the requirement that Change Orders must be in writing signed by the Owner and that such written Change Orders are the exclusive method for effecting any change to the Guaranteed Maximum Price or Contract Time. The Contractor understands and agrees that the Guaranteed Maximum Price and Contract Time cannot be changed by implication, oral agreements, actions, inactions or course of conduct. The Contractor's signature on the Change Order shall mean that the Contractor agrees with the Change Order.

14.6.3 Contractor represents, warrants and covenants that upon any default by Contractor under this Agreement, or termination of this Agreement by Owner in accordance with the other provisions hereof, (i) it shall provide, within ten (10) days of such default or termination, to Owner true and complete copies of all subcontracts and purchase orders entered into by Contractor as of the date thereof, with no editing thereof or

deletions therefrom, (ii) it shall represent, warrant and covenant that such subcontracts and purchase orders have not been terminated or amended and are in full force and effect, or if not in any respect, the details and all information pertaining to such termination or amendment, (iii) it shall represent, warrant and covenant that no conditions exist or with the passage of time, the giving of notice or both would exist, which would constitute an event of default of any party under any such subcontract or purchase order, or in any event the details and all information pertaining to such conditions or defaults, and (iv) all subcontracts and purchase orders reflecting and incorporating the terms, covenants and provisions imposed upon the Contractor pursuant to this Agreement.

14.6.4 If the Contractor suffers any injury or damage to person or property because of an act or omission of the Owner, the Owner's employees or agents, or another whose acts the Owner is legally liable, or has any claim for an increase in the Guaranteed Maximum Price, any such claim shall be made in writing in the form of a request for Change Order within ten (10) days following the date upon which the Contractor becomes aware that such injury or damage has occurred. If such injury or damage may involve an increase in the Guaranteed Maximum Price or is not then fully covered by the insurance coverage maintained by the Contractor hereunder, such claims not made within such ten (10) days, as aforesaid, are barred, waived, released and discharged.

14.6.5 All indemnification, lien waiver, payment, insurance, warranty and other obligations of the Contractor and all rights and remedies of the Owner, set forth in this Agreement which are susceptible of performance or by their nature would be performed or exercised after the Contractor achieves Substantial Completion in accordance with section 9.8.1 of the General Conditions, shall also survive the expiration or sooner termination of this Agreement with reference to the work determined to be substantially complete as of the date of either such expiration and/or sooner termination.

14.6.7 Notwithstanding anything herein to the contrary, if for any reason whatsoever the Owner is unable to close on any of the financing for this Project, and the Owner, in the Owner's sole opinion, feels that alternative sources of financing can not be found, then the Project shall be terminated. The total amount due to the Contractor shall be in accordance with Article 13. This amount shall be paid to the Contractor within 60 days of notice to terminate said project. In no circumstances shall the Contractor be responsible to fund the balance of the Contract Sum that has yet to be performed by the Contractor or Contractor's subcontractors.

14.6.8 The penalty for not meeting City of Chicago residency requirements as identified in Exhibit L is calculated by multiplying the percent shortfall of the requirement by 1/20th of 1% by the total hard cost for the project.

14.6.9 The Project is located in a State of Illinois Enterprise Zone and as such, building materials used in constructing the project are exempt from State of Illinois sales tax.

ARTICLE 15 ENUMERATION OF CONTRACT DOCUMENTS

15.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

15.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A111-1997, as modified.

15.1.2 The General Conditions are the 2007 edition of the General Conditions of the Contract for Construction, AIA Document A201-2007 attached hereto as modified.

15.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated _____, and are as follow:

Document	Title	Pages
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15.1.4 The Specifications are those contained in the Project Manual dated as in Subparagraph 15.1.3, and

are as follows:

(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section Title Pages See Exhibit B

15.1.5 The Drawings are as follows, and are dated unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number Title Date See Exhibit B

15.1.6 The Addenda, if any, are as follows:

Number Date Pages

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 15.

Bidding documents are part of the Contract Documents.

15.1.7 Other Documents, if any, forming part of the Contract Documents are as follows:

Exhibit A	Project Schedule.
Exhibit A-3	Critical Scheduling Tasks for Inclusion in Project Schedule
Exhibit B	Drawing List and Specifications
Exhibit C	Guarantee
Exhibit D	Performance Bond - Multiple Obligees
Exhibit E	Payment Bond - Multiple Obligees
Exhibit F	Indemnity and Hold Harmless Agreement
Exhibit G	Lien Waiver Forms
Exhibit H	Contractor's Sworn Statement
Exhibit I	GMP, Summary Schedule of Values
Exhibit J	Insurance
Exhibit K	Section 6 Agreements with Contractors
Exhibit L	City of Chicago Construction Contract Rider

Contractor shall comply with all requirements and requests for documentation from the lenders as contained in the Contract Documents and shall cooperate fully with any consultant or representative from the lenders. The Contractor also shall (i) make the site, its work location and Project Documents available at reasonable times for inspection by the Lenders and Investors, the Housing Authority, or their representatives, (ii) consent to and execute all documents reasonably requested by the Owner in connection with the assignment of this Agreement and the Plans and Specifications to the Lender for collateral purposes and (iii) promptly furnish the Owner with information, documents, and materials that the Owner reasonably may request from time to time in order to comply with the Lenders' and Investor's requirements as long as they do not subordinate or give away Contractor's lien rights.

(List here any additional documents, such as a list of alternates that are intended to form part of the Contract Documents. AIA Document A201-2007 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

ARTICLE 16 INSURANCE AND BONDS

(List required limits of liability for insurance and bonds. AIA Document A201-2007 gives other specific requirements for insurance and bonds.)

Commercial General Liability:

\$1,000,000 each occurrence
\$100,000 fire damage (any one fire)
\$5,000 medical expenses (any one person)
\$1,000,000 personal and advertising injury
\$2,000,000 general aggregate
\$2,000,000 products-completed operations aggregate
\$5,000,000 umbrella each occurrence and aggregate

Automobile Liability:
\$1,000,000 combined single limit (each accident)

Workers Compensation: Statutory Limits

Employer's Liability:
\$1,000,000 each accident
\$1,000,000 disease-each employee
\$1,000,000 disease-policy limit

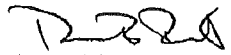
This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER (signature)

DAVID BRINT
Hairpin Lofts LLC, an Illinois limited liability company
By: Hairpin Lofts Manager, LLC,
an Illinois limited liability company,
its Manager
By:
Name: David Brint
Title: President

CONTRACTOR (signature)

Mark J. McShane
McShane Construction Company LLC



Hairpin Retail LLC, an Illinois Limited liability company.

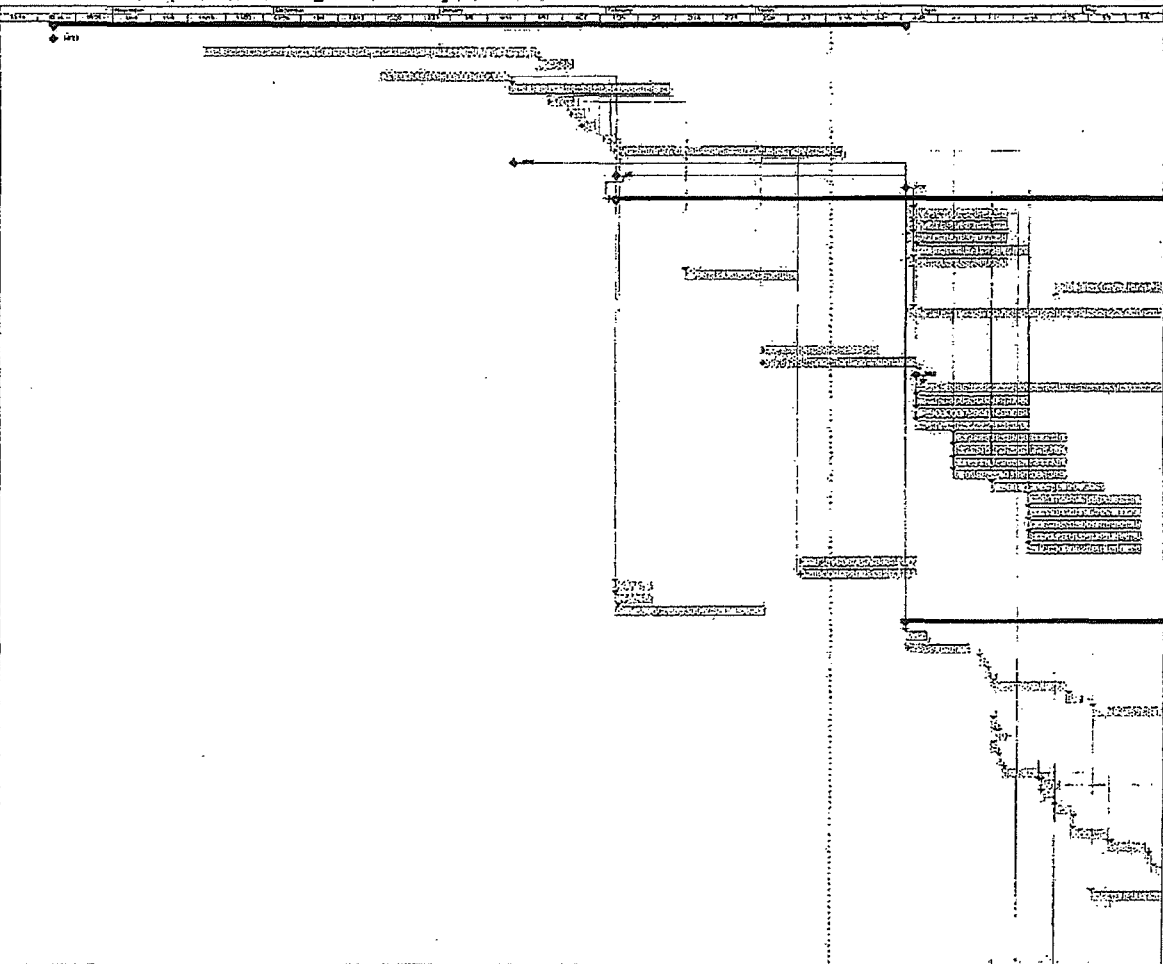
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An Illinois corporation.
Its Managing Member

By:
Name: David Brint
Title: President

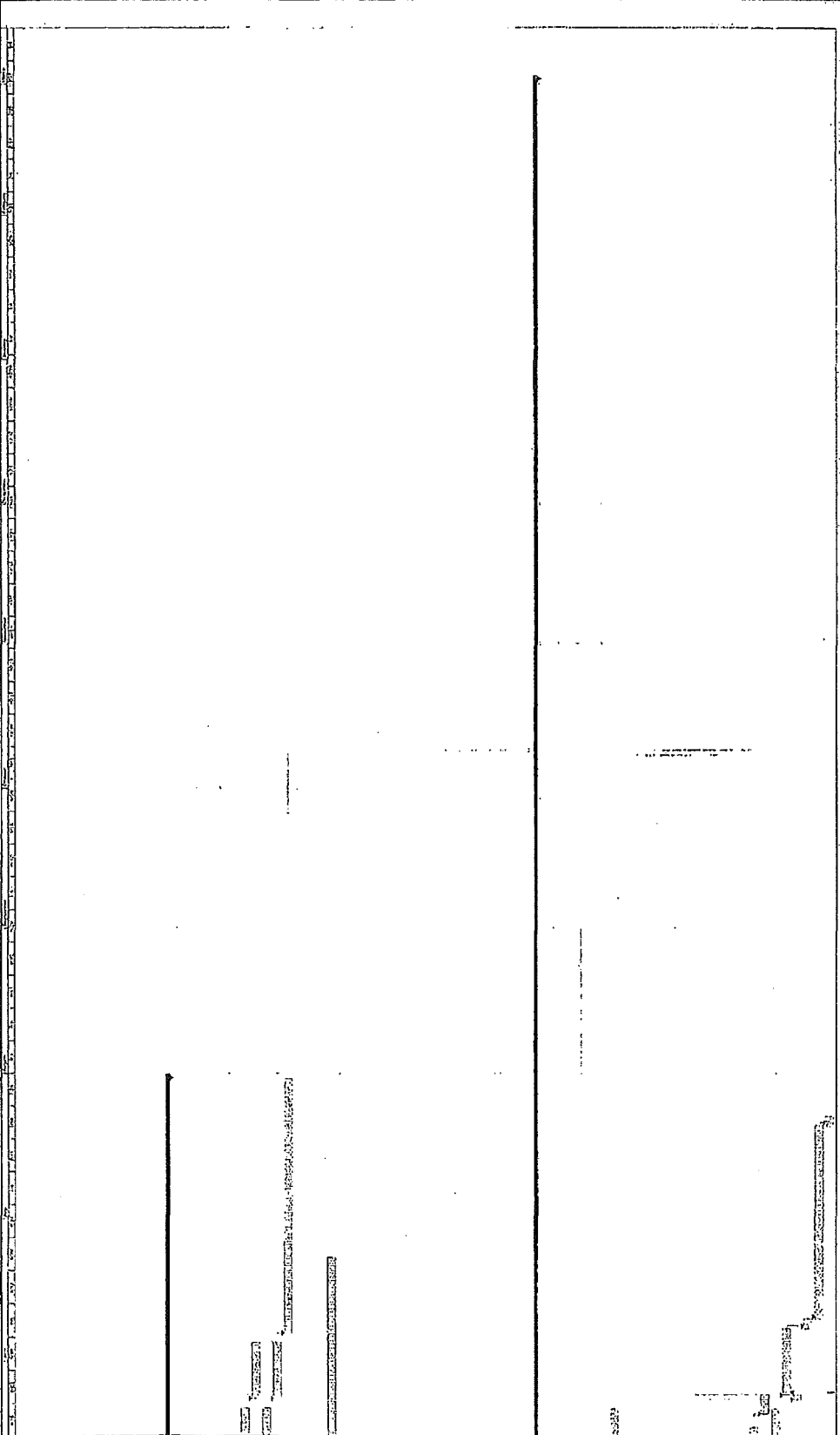
Brinshore 2800 Corp.

By:
Name: David Brint
Title: President

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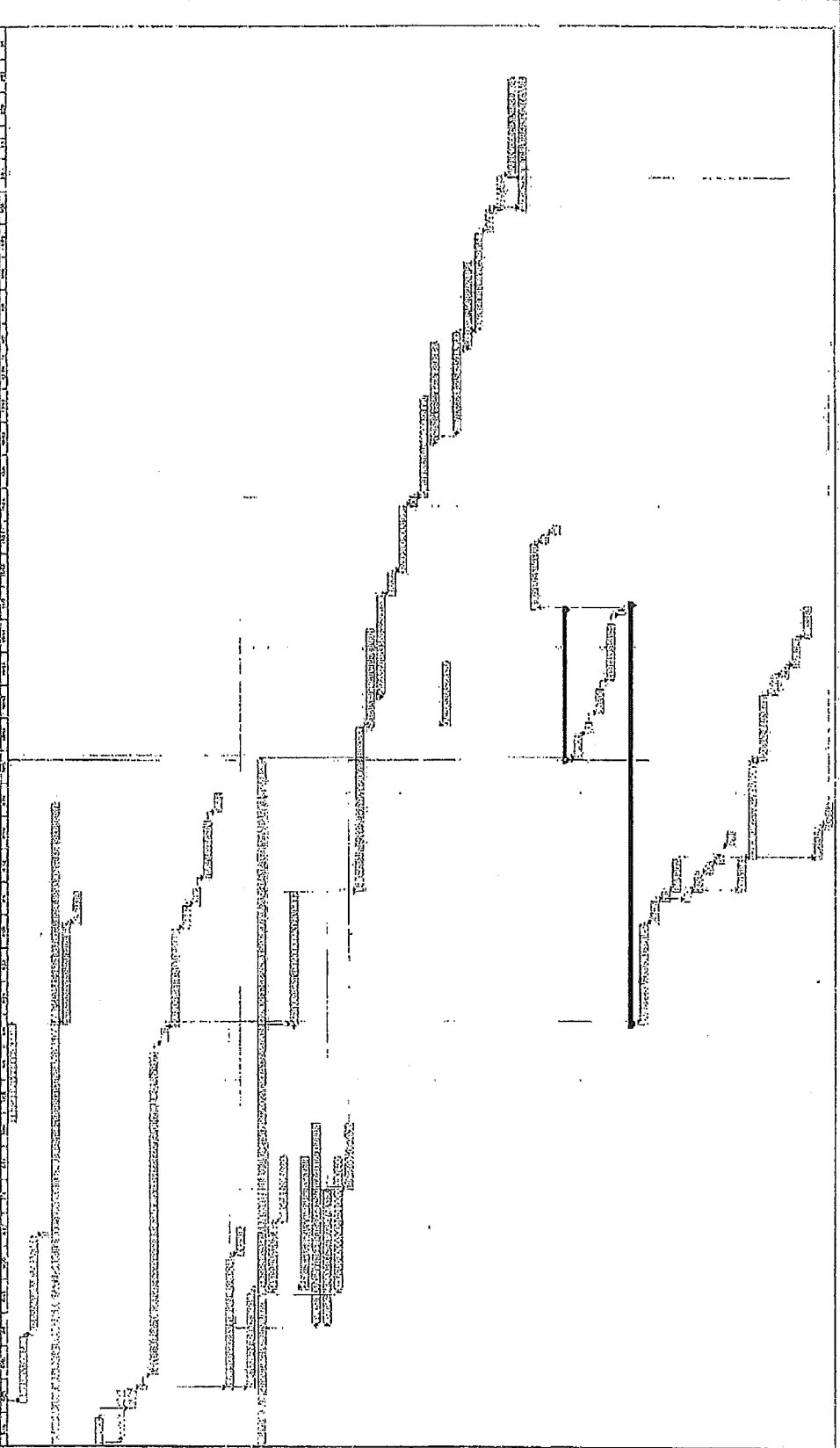
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11	18 days	Tue 02/3/10	Mon 07/3/10 78
12	15 days	Tue 02/3/10	Mon 07/3/10 78
13	1 day	Tue 02/3/10	Tue 02/3/10 78
14	109 days	Wed 03/3/10	Tue 09/5/10 83
15	15 days	Fri 05/3/10	Thu 07/3/10 77
16	3 days	Fri 05/3/10	Thu 06/3/10 82
17	6 days	Mon 08/3/10	Fri 02/3/10 80,82,10
18	20 days	Mon 08/3/10	Fri 02/3/10 84FS-2 days
19	9 days	Tue 09/3/10	Wed 01/4/10 86
20	4 days	Tue 09/3/10	Thu 02/4/10 85FS-4 days
21	4 days	Mon 02/4/10	Thu 02/4/10 88,85
22	1 day	Fri 02/4/10	Fri 02/4/10 88
23	50 days	Mon 02/4/10	Fri 06/5/10 89
24	3 days	Mon 02/4/10	Wed 01/5/10 90
25	15 days	Thu 01/5/10	Wed 01/5/10 91
26	3 days	Thu 01/5/10	Mon 06/5/10 92
27	4 days	Tue 07/5/10	Fri 01/6/10 93
28	19 days	Mon 01/6/10	Fri 01/6/10 94
29	4 days	Mon 01/6/10	Tue 02/6/10 95
30	20 days	Fri 02/6/10	Thu 02/6/10 98
31	4 days	Fri 02/6/10	Wed 03/6/10 97
32	15 days	Fri 02/6/10	Tue 01/7/10 95
33	114 days	Mon 02/6/10	Thu 01/7/10 100FS-80 d
34	10 days	Fri 02/6/10	Thu 01/7/10 101
35	20 days	Fri 02/6/10	Thu 01/7/10 102FS-4T
36	20 days	Fri 02/6/10	Thu 01/7/10 100
37	30 days	Fri 02/6/10	Thu 02/7/10 101FS-10 d
38	20 days	Fri 02/6/10	Thu 02/7/10 101FS-10 d
39	20 days	Fri 02/6/10	Thu 02/7/10 101FS-6 days
40	10 days	Fri 02/6/10	Thu 02/7/10 101, 102
41	26 days	Fri 02/6/10	Thu 02/7/10 102FS-10,103
42	15 days	Fri 02/6/10	Thu 01/7/10 103
43	15 days	Fri 02/6/10	Thu 01/7/10 101FS-10 d
44	3 days	Fri 02/6/10	Tue 01/6/10 101
45	10 days	Wed 11/6/10	Tue 11/6/10 102
46	2 days	Wed 12/1/10	Thu 12/2/10 105
47	15 days	Thu 12/2/10	Thu 12/2/10 105,104
48	15 days	Wed 12/2/10	Tue 11/1/10 101FS-10 d
49	10 days	Fri 11/1/10	Tue 11/6/10 101
50	10 days	Wed 11/1/10	Tue 11/6/10 102
51	2 days	Wed 12/1/10	Thu 12/2/10 105
52	15 days	Thu 12/2/10	Thu 12/2/10 105,104
53	15 days	Wed 12/2/10	Tue 11/1/10 101FS-10 d
54	10 days	Fri 11/1/10	Tue 11/6/10 101
55	15 days	Fri 11/1/10	Thu 12/2/10 105
56	3 days	Fri 11/1/10	Tue 11/6/10 102
57	15 days	Fri 11/1/10	Thu 12/2/10 105
58	3 days	Fri 11/1/10	Tue 11/6/10 102
59	5 days	Wed 22/1/10	Tue 2/1/10 121
60	15 days	Wed 22/1/10	Tue 2/1/10 121
61	10 days	Tue 11/2/10	Mon 11/22/10 133
62	2 days	Tue 11/22/10	Wed 11/22/10 133
63	2 days	Tue 11/22/10	Fri 11/22/10 139
64	22 days	Fri 10/2/10	Mon 11/15/10
65	3 days	Fri 10/2/10	Tue 10/12/10 130,100
66	3 days	Wed 10/13/10	Fri 10/15/10 129
67	3 days	Mon 10/18/10	Fri 10/22/10 129
68	30 days	Mon 10/25/10	Fri 11/20/10 131
69	1 day	Mon 11/22/10	Mon 11/22/10 132
70	61 days	Fri 01/12/10	Thu 11/2/10
71	10 days	Fri 01/13/10	Thu 01/21/10 77
72	3 days	Fri 01/15/10	Tue 01/19/10 135
73	2 days	Wed 03/1/10	Thu 03/01/10 136
74	5 days	Fri 01/15/10	Thu 01/14/10 137
75	2 days	Wed 03/1/10	Thu 03/01/10 138
76	2 days	Fri 01/15/10	Mon 01/18/10 138
77	2 days	Tue 01/19/10	Mon 01/25/10 139
78	2 days	Tue 01/19/10	Wed 01/27/10 140
79	2 days	Thu 01/14/10	Fri 01/15/10 141
80	3 days	Mon 01/20/10	Wed 01/27/10 142
81	3 days	Fri 01/15/10	Thu 01/14/10 139
82	15 days	Fri 01/15/10	Thu 01/21/10 144
83	10 days	Fri 02/1/10	Thu 10/25/10 145,103
84	2 days	Fri 10/22/10	Mon 10/25/10 140
85	2 days	Tue 10/26/10	Wed 10/27/10 147
86	4 days	Thu 10/28/10	Tue 11/02/10 148
87	5 days	Wed 11/03/10	Tue 11/09/10 149
88	5 days	Fri 01/17/10	Thu 01/23/10 138
89	3 days	Fri 01/22/10	Tue 01/25/10 151



McShane Construction

Hairpin Lofts and Logan Community Arts Center

BAWA 2010



McShane Construction
 Hairpin Lofts and Logan Community Arts Center
 BAWA 2010
 Preliminary Schedule



EXHIBIT A-3

Critical Scheduling Tasks

- Obtain permits
- Notice to proceed
- Masonry spandrel approval
- Window approve by state
- City sidewalk install at vaults
- Deno Payless exterior wall
- Roofing and sheet metal on commercial building
- Waterproofing on commercial building

**McShane
Construction
Company**

Exhibit B

Architectural

As prepared by Hansbörner Plunkert Architects

A0.00	0	1/11/2010	Project Data & Location Plan
A0.01	0	1/11/2010	Site Plan
A0.02	0	1/11/2010	F.A.R. & Zoning Analysis
A0.03	0	1/11/2010	Travel Distances
A0.04	0	1/11/2010	Fire Prevention Details & Notes
A1.00	0	1/11/2010	Basement Floor Plan
A1.00 FFP	0	1/11/2010	Basement Finish Floor Plan
A1.00 RCP	0	1/11/2010	Basement Reflected Ceiling Plan
A1.01	0	1/11/2010	First Floor Plan
A1.01 DIM	0	1/11/2010	Typ. Residential Dimension Plan Demising Walls
A1.02	0	1/11/2010	Second Floor Plan
A1.02 DIM	0	1/11/2010	Typ. Unit Dimension Plans
A1.02 FFP	0	1/11/2010	Second Floor Finish Floor Plan
A1.02 RCP	0	1/11/2010	Second Floor Reflected Ceiling Plan
A1.03	0	1/11/2010	Third Floor Plan
A1.03 DIM	0	1/11/2010	Typ. Unit Dimension Plans
A1.03 FFP	0	1/11/2010	Typ. Residential Floor Finish Floor Plan
A1.03 RCP	0	1/11/2010	Typ. Residential Floor Reflected Ceiling Plan
A1.04	0	1/11/2010	Fourth Floor Plan
A1.05	0	1/11/2010	Fifth Floor Plan
A1.06	0	1/11/2010	Sixth Floor Plan
A1.07	0	1/11/2010	Roof Plan
A2.00	0	1/11/2010	North East Elevation
A2.01	0	1/11/2010	South Elevation
A2.02	0	1/11/2010	East & West Elevations
A3.00	0	1/11/2010	East - West Building Section
A3.01	0	1/11/2010	East-West Building Section
A4.00	0	1/11/2010	Wall Sections
A5.0	0	1/11/2010	First Floor Historic Lobby
A5.02	0	1/11/2010	Existing Elevator Lobby Conditions
A5.03	0	1/11/2010	Proposed Elevator Lobby Details
A5.04	0	1/11/2010	Details
A5.05	0	1/11/2010	Plaza Deck MFG Details
A5.06	0	1/11/2010	Roofing Details
A5.1	0	1/11/2010	First Floor Historic Lobby RCP and Terrazzo
A6.00	0	1/11/2010	Stair No. 1 Plans & Section
A6.01	0	1/11/2010	Stair No. 2 Plans & Section
A6.02	0	1/11/2010	Stair Section
A6.03	0	1/11/2010	Stair Section
A7.00	0	1/11/2010	Kitchen Plans & Elevations
A7.01	0	1/11/2010	Bathroom Plans & Elevations
A7.02	0	1/11/2010	Bathroom Plans & Elevations
A7.03	0	1/11/2010	Commercial Bathroom Plans & Elevations
A9.0	0	1/11/2010	Door & Finish Schedules
A9.01	0	1/11/2010	Finishes Spreadsheet
A9.02	0	1/11/2010	Wall Schedule

A9.03	0	1/11/2010	Window Schedule
A9.04A	0	1/11/2010	Second Floor Window Details
A9.04B	0	1/11/2010	Residential Window Details
A9.05	0	1/11/2010	Light & Ventilation Schedules & Notes
A9.06	0	1/11/2010	Accessibility Notes and Diagrams
A9.07	0	1/11/2010	Accessibility Notes and Diagrams
A9.08	0	1/11/2010	Accessibility Notes and Diagrams

Civil

as prepared by Gary A. Biet, Inc.

C1.1	0	11/18/2009	Existing Conditions and Demolition Plan
C1.2	0	11/18/2009	Paving and Grading Plan
C1.3	0	11/18/2009	Utility Plan
C1.4	0	11/18/2009	General Notes and Details
C1.5	0	11/18/2009	Stormwater Pollution Prevention Plan

Demolition

as prepared by Hartsöhne Plunkard Architecture

D1.00	0	1/11/2010	Basement Floor Demo Plan
D1.01	0	1/11/2010	First Floor Demo Plan
D1.02	0	1/11/2010	Second Floor Demo Plan
D1.04	0	1/11/2010	Fourth Floor Demo Plan
D1.05	0	1/11/2010	Fifth Floor Demo Plan
D1.06	0	1/11/2010	Sixth Floor Demo Plan
D2.00	0	1/11/2010	North East Demo Elevation
D2.01	0	1/11/2010	South Demo Elevation
D2.02	0	1/11/2010	East & West Demo Elevations
D1.03	0	1/11/2010	Third Floor Demo Plan

Electrical

as prepared by Romecki & Associates, Inc.

E1.0	0	12/21/2009	Basement Plan - Lighting
E1.1	0	12/21/2009	1st Floor Plan - Lighting
E1.2	0	12/21/2009	2nd Floor Plan - Lighting
E1.3	0	12/21/2009	3rd Floor Plan - Lighting
E1.4	0	12/21/2009	4th Floor Plan - Lighting
E1.5	0	12/21/2009	5th Floor Plan - Lighting
E1.6	0	12/21/2009	6th Floor Plan - Lighting
E2.0	0	12/21/2009	Basement Plan - Power
E2.1	0	12/21/2009	1st Floor Plan - Power
E2.2	0	12/21/2009	2nd Floor Plan - Power
E2.3	0	12/21/2009	3rd Floor Plan - Power
E2.4	0	12/21/2009	4th Floor Plan - Power
E2.5	0	12/21/2009	5th Floor Plan - Power
E2.6	0	12/21/2009	6th Floor Plan - Power
E2.7	0	12/21/2009	Electrical Roof Plan
E3.0	0	12/21/2009	Typical Unit Plans - Electrical
E3.1	0	12/21/2009	Typical Unit Plans - Electrical
E4.0	0	12/21/2009	Schedules
E4.1	0	12/21/2009	Schedules
E4.2	0	12/21/2009	Schedules
E5.0	0	12/21/2009	Riser & Grounding Details

EM1.0	0	12/21/2009	Basement Plan -EM' Lighting
EM1.1	0	12/21/2009	1st Floor Plan -EM' Lighting
EM1.2	0	12/21/2009	2nd Floor Plan -EM' Lighting
EM1.3	0	12/21/2009	3rd Floor Plan -EM' Lighting
EM1.4	0	12/21/2009	4th Floor Plan -EM' Lighting
EM1.5	0	12/21/2009	5th Floor Plan -EM' Lighting
EM1.6	0	12/21/2009	6th Floor Plan -EM' Lighting

Facade Restoration

as prepared by Wiss, Janney, Elstner Associates, Inc.

AR-0.0	0	10/19/2009	Tile Sheet
AR-0.1	0	10/19/2009	General Notes/Scope of Work
AR-1.0	0	10/19/2009	Site Plan / Roof Plan
AR-2.0	0	10/19/2009	North Elevation
AR-2.1	0	10/19/2009	South Elevation
AR-2.2	0	10/19/2009	East and West Elevations
AR-3.0	0	10/19/2009	Wall Sections
AR-3.1	0	10/19/2009	Parapet Sections
AR-3.2	0	10/19/2009	Parapet Sections
AR-4.0	0	10/19/2009	Repair Details
AR-4.1	0	10/19/2009	Repair Details

Fire Protection

as prepared by D.A.M. Plumbing Inc.

FP-100	0	1/18/2010	Basement Floor Plan
FP-101	0	1/18/2010	First Floor Plan
FP-102	0	1/18/2010	Second Floor Plan
FP-103	0	1/18/2010	Typical Floor Plan (3-7)
FP-104	0	1/18/2010	Roof Plan
FP-105	0	1/18/2010	Details & Diagrams
FP-106	0	1/18/2010	Schedules

Landscape

as prepared by Wolff Landscape Architecture Inc.

L-1	0	12/21/2009	Landscape Plan
L-2	0	12/21/2009	Plant List and Details

Mechanical

as prepared by Service Mechanical Industries

M-0.0	0	11/18/2009	Basement HVAC Plan
M-0.1	0	11/18/2009	Basement Mechanical Room HVAC Plan
M-1.0	0	11/18/2009	First Floor HVAC Plan
M-2.0	0	11/18/2009	Second Floor HVAC Plan
M-3.0	0	11/18/2009	Third, Fourth, Fifth Floor HVAC Plan
M-6.0	0	11/18/2009	Sixth Floor HVAC Plan
M-7.0	0	11/18/2009	Roof HVAC Plan
M-7.1	0	11/18/2009	Penthouse HVAC Plan
M-8.0	0	11/18/2009	Piping Schematic
M-9.0	0	11/18/2009	Ventilation Schedule
M-9.1	0	11/18/2009	Ventilation Schedule & Chicago Code Compliance

M-9.2	0	11/18/2009	Schedules
M-9.3	0	11/18/2009	Notes & Details

Plumbing

as prepared by D.A.M. Plumbing Inc.

P-0	0	10/5/2009	Cover Sheet
P-1	0	10/5/2009	1st Floor Plumbing Plan
P-2	0	10/5/2009	2nd Floor Plumbing Plan
P-6	0	10/5/2009	6th Floor Plumbing Plan
P-B	0	1/18/2010	Basement Plumbing Plan
P-ROOF	0	10/5/2009	Roof Plumbing Plan
P-SAN_1	0	10/5/2009	Sanitary Diagram
P-UG	0	10/5/2009	Underground Plumbing Plan
P-WR_1	0	10/5/2009	Water Riser Diagram

Specification

as prepared by Hartsline Plunkard Architecture

Specifications	0	12/21/2009	Book 1 Specifications
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Structural

as prepared by NLP Engineering

S0-0	0	1/11/2010	Structural General Notes
S1-0	0	1/11/2010	Foundation Plan
S1-1	0	1/11/2010	First Floor Framing Plan
S1-2	0	1/11/2010	Second Floor/Roof Framing Plan
S1-3	0	1/11/2010	Roof Framing Plan
S1-4	0	1/11/2010	Typical Floor Framing Plan
S1-5	0	1/11/2010	Roof Framing Plan
S2-0	0	1/11/2010	Foundation Details
S3-0	0	1/11/2010	Structural Framing Details

EXHIBIT C
GUARANTEE

WHEREAS, McShane Construction Company (hereinafter called the "Guarantor"), entered into a certain Agreement dated as of March 15, 2010 (hereinafter called the "Contract"), with Hairpin Lofts LLC, Hairpin Retail LLC and Brinshore 2800 Corp., an urban renewal entity (hereinafter called the "Owner"); for that portion of the construction of a building and improvements generally described as:

Hairpin Lofts Park Mid-Rise, 2800 N. Milwaukee Ave, Chicago

(hereinafter referred to as the "Work") for services rendered including labor, materials and equipment in connection with the Project known as Hairpin Lofts

WHEREAS, pursuant to the terms of the Contract, the Guarantor has obligated itself to furnish certain warranties;

WHEREAS, the obligation to make such warranties is an essential part of the consideration for which the Owner executed said Contract;

WHEREAS, this instrument is intended to include warranties for all the materials furnished or to be furnished and all the Work performed or to be performed under said Contract;

WHEREAS, the Owner, as to the work and material to be guaranteed under this warranty, has performed, kept, observed, and fulfilled each and every one of the obligations, promises, stipulations, terms and conditions on its part to be performed, kept, observed or fulfilled under said Contract; and

WHEREAS, the Guarantor is now desirous of obtaining payment pursuant to the terms of said Contract as a condition precedent to such payment; furnishes this guarantee of all Work performed and all equipment and materials installed pursuant to said Contract.

NOW THEREFORE, in consideration of the premises and of the payments made to the Guarantor under the Contract, the Guarantor does hereby for itself and its successors and assigns, guarantee to the Owner that the Guarantor has performed all the Work required by the Contract in accordance with the terms thereof and that all portions of the Work completed under the Contract are in compliance with any and all architectural plans, specifications, issued building permits, and applicable building codes therewith and will so remain for a period of one (1) year after the Final Completion and acceptance of the Work by Owner provided that all building-related systems are operational at the time of Final Completion and acceptance of the Work; and

Provided that the Guarantor has received payment in accordance with the Contract Documents, Guarantor does hereby warrant that the Work is free of all liens, encumbrances and claims and in conformity with the requirements of applicable law, rules and regulations of all governmental bodies having jurisdiction.

The Guarantor does hereby further guarantee and warrant that the Guarantor will make good and replace at its own cost and expense all defects in such Work appearing during the period aforesaid and be responsible for all foreseeable damage caused to the Owner by such defects or by the work required to remedy such defects. All corrections to defective work shall be made at the convenience of the Owner and shall be performed in a good and workmanlike manner.

The Guarantor does hereby warrant and represent that it has obtained warranties and guarantees from its material and equipment suppliers and from its subcontractors to the fullest extent possible and as customary in the various trades.

It is understood that this Guarantee shall in no way be construed to affect in any manner any of the provisions of the Contract or to modify or limit any of the obligations, liabilities and duties of the Guarantor thereunder or under applicable law.

It is further understood that this Guarantee shall remain binding and irrevocable during the above stated period and that the Guarantor shall not contest the validity of, or in any way attempt to revoke or withdraw from, this Guarantee for any cause whatsoever, whether arising before or after the execution of the Contract or this Guarantee.

IN WITNESS WHEREOF, the Guarantor has caused this instrument to be signed and executed this day of March 15, 2010

McShane Construction Company
(Guarantor)

By: _____

Title: _____

WITNESS:

EXHIBIT F
INDEMNITY AND HOLD HARMLESS AGREEMENT

In consideration of the engagement of undersigned Contractor to perform Work at Hairpin Lofts, 2800 N. Milwaukee Ave., Chicago, IL, for the Owner, and as a prerequisite to said engagement, Contractor accepts and enters into the following Indemnity Agreement.

1. Agreement

Contractor hereby indemnifies Indemnitees against and shall hold Indemnitees harmless of and from any and/or all Loss which Indemnitees have sustained or incurred by reason of an Event which happens (i) in the immediate vicinity where Contractor is performing Work, storing materials, or staging to perform Work; or (ii) while any of Contractor's or any of its Subcontractors' property, equipment or personnel are in or about such place; or (iii) as a result of or connected with the Work.

As to any particular Indemnitee, this Indemnity Agreement covers Loss, whether or not caused or claimed to have been caused in part (but not solely) by the negligence of said Indemnitee.

In the case of an Event concerning which more than one contractor is connected or involved or by the terms of this Indemnity Agreement or otherwise may be liable, all such contractors shall be joint and severally liable to the Indemnitees. Apportionment of liability among the said contractors shall be determined in a legal proceeding among them alone and not involving any Indemnitee.

This Indemnity Agreement shall survive the termination or completion of Contractor's engagement.

2. Beneficiaries

All Indemnitees are beneficiaries of this Indemnity Agreement. However, this Indemnity Agreement does not, with respect to an architect or engineer, cover claims arising out of (1) the preparation or approval of maps, drawings, sketches, opinions, reports, designs, or specifications; or (2) the giving or failure to give such directions or instructions is a contributing cause of loss.

3. Definitions -- As used herein:

- 3.1. "Contractor" refers to undersigned contractor or supplier.
- 3.2. "Work" refers to all and any portion of work, labor, services or material (or supplies) performed and/or supplied to or for the benefit of the Project, through Contractor's own employees and agents (and/or the employees and agents of its corporate parent, subsidiaries, or affiliates); or for which Contractor is responsible

though performed and/or supplied by or through subcontractors and suppliers. "Work" includes not only work, labor, services, and/or material (or supplies), but also preparation for work, and the mobilization and demobilization of Contractor's and/or Subcontractor's personnel and equipment in connection with work.

- 3.3. "Project" refers to the construction work to be performed at the site location referenced above.
- 3.4. "Owner" refers to Hairpin Lofts LLC, Hairpin Retail LLC and Brinshore 2800 Corp., and includes (i) Owner's corporate partner, affiliates, subsidiaries, limited partners, joint venturers, general contractor (if any), developer (if any), architects, engineers, and consultants; and (ii) the officers, directors, employees, agents, invitees, and partners of any person or entity in preceding clause (i).
- 3.5. "Indemnities" refers to any, some, and all of Owner, and all persons or entities included within the phrase "Owner" under Subparagraph 3.4.
- 3.6. "Subcontractor" refers to any, some, and all persons or entities which have been engaged directly or indirectly by Contractor to perform or to provide work, labor, services and/or material (or supplies). "Subcontractor" also includes any, some, and all sub-subcontractors, sub-sub-subcontractors, and suppliers and materialmen.
- 3.7. "Event" refers to an accident or occurrence caused by the Contractor or its subcontractor (whether one or several, and whether separate and discrete, or continuing).
- 3.8. "Loss" refers to any and all direct and reasonably foreseeable indirect, consequential, or other liability, damage, loss, claim, demand, action, and expense (including legal fees and disbursements), including, without limitation, all liability, damage, loss, claim, demand, action, and expense on account of personal injury, death, or property or economic loss, and whether or not based on statutory, contractual, tort, or other duties.
- 3.9. "Indemnity Agreement" refers to this Agreement.

THIS IS A LEGAL INSTRUMENT THAT ESTABLISHES OR OTHERWISE AFFECTS YOUR RIGHTS AND OBLIGATIONS. READ CAREFULLY AND CONSULT WITH YOUR LAWYER (IF YOU DEEM IT APPROPRIATE) BEFORE SIGNING.

Date: _____

Entity: _____

By: _____

CORPORATE SEAL
(if Contractor is a corporation)

Title: _____

Witnessed By: _____

**EXHIBIT G
WAIVER OF LIEN TO DATE**

STATE OF ILLINOIS ss
COUNTY OF COOK

Gly# _____

Loan# _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by Hairpin Lofts LLC and Hairpin Retail LLC to furnish (ITEM) work for the premises known as Hairpin Lofts and Logan Community Art Center, 2800 North Milwaukee Avenue of which Hairpin Lofts LLC and Hairpin Retail LLC is the owner;

THE undersigned, for and in consideration of (THIS PAYMENT AMOUNT and 00/100 Dollars) (\$-0-) Dollars, and other good and valuable considerations, the receipt whereof is hereby acknowledged, do (es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens, with respect to and on said above-described premises, and the improvements thereon; and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of labor services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described premises, INCLUDING EXTRAS.*

Given under my hand(s) and sealed this _____ day of _____,

Signature and Seal: _____

NOTE: All waivers must be for the full amount paid. If waiver is for a corporation, corporate name should be used, corporate seal affixed and title of officer signing waiver should be set forth; if waiver is for a partnership, the partnership name should be used, partner should sign and designate himself as partner.

CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS ss
COUNTY OF COOK

TO WHOM IT MAY CONCERN:

THE undersigned, being duly sworn, deposes and says that he is Mark Tritschler, Executive Vice President of the McShane Construction Company LLC who is the contractor for the (ITEM) work on Hairpin Lofts and Logan Community Art Center, located at 2800 North Milwaukee Avenue, owned by Hairpin Lofts LLC and Hairpin Retail LLC. That the total amount of the contract including extras is \$(CONTRACT AMOUNT) on which he has received payment of \$(PREVIOUS PAID AMOUNT) prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES	WHAT FOR	CONT. PRICE	AMT. PAID	THIS PAYMENT	BALANCE DUE
-------	----------	-------------	-----------	--------------	-------------

All labor fully paid by McShane and any required miscellaneous materials from fully paid stock or inventory and delivered to the job site in our own trucks.

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

Signed this _____ day of _____,

Signature: _____

Subscribed and sworn to before me this _____ day of _____,

Notary Public

****EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.**

**EXHIBIT G
FINAL WAIVER OF LIEN**

STATE OF ILLINOIS ss
COUNTY OF COOK

City# _____

Loan# _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by Hairpin Lofts LLC and Hairpin Retail LLC to furnish _____ work for the premises known as Hairpin Lofts and Logan Community Art Center, 2800 North Milwaukee Avenue of which Hairpin Lofts LLC and Hairpin Retail LLC the owner.

THE undersigned, for and in consideration of (THIS PAYMENT AMOUNT and 00/100 Dollars) (\$0-) Dollars, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens; with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of labor services, material, fixtures, apparatus or machinery, heretofore furnished, or which may be furnished at any time hereafter, by the undersigned for the above-described premises, INCLUDING EXTRAS.*

Given under my hand(s) and sealed this _____ day of _____,

Signature and Seal: _____

NOTE: All waivers must be for the full amount paid. If waiver is for a corporation, corporate name should be used, corporate seal affixed and title of officer signing waiver should be set forth; if waiver is for a partnership, the partnership name should be used, partner should sign and designate himself as partner.

CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS ss
COUNTY OF COOK

TO WHOM IT MAY CONCERN:

THE undersigned, being duly sworn, deposes and says that he is Mark Titschler, Executive Vice President of the McShane Construction Company LLC who is the contractor for the (ITEM) work on Hairpin Lofts and Logan Community Art Center, located at 2800 North Milwaukee Avenue owned by Hairpin Lofts LLC and Hairpin Retail LLC. That the total amount of the contract including extras is \$(CONTRACT AMOUNT) on which he has received payment of \$(PREVIOUS PAID AMOUNT) prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES	WHAT FOR	CONT. PRICE	AMT. PAID	THIS PAYMENT	BALANCE DUE
-------	----------	-------------	-----------	--------------	-------------

All labor fully paid by McShane and any required miscellaneous materials from fully paid stock or inventory and delivered to the job site in our own trucks.

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

Signed this _____ day of _____,

Signature: _____

Subscribed and sworn to before me this _____ day of _____,

Notary Public

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.

SWORN STATEMENT FOR CONTRACTOR AND SUBCONTRACTOR TO OWNER

March 25, 2010

Application #: 1

JOB NUMBER
9036

STATE OF ILLINOIS, COUNTY OF COOK

COMBINED.

The affiant Mark Trischler, being first duly sworn, on oath deposes and says that he is Executive Vice President of McShane Construction Company, 8550 W. Higgins Road, Suite 200, Rosemont, IL, 60018, that has contracted with Brinshore Development LLC for the renovation at 2800 N. Milwaukee, IL, Cook County.

That, for the purpose of said contract, the following persons have been contracted with and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on said improvement. That there is due and to become due them, respectively the amounts set opposite their names for materials or labor as stated. That this statement is a full and complete statement of all such persons, the amount paid and the amount due or to become due to each.

CONTRACTOR	ITEM	PERCENT COMPLETE	CONTRACT AMOUNT	RETENTION INCLUDING CURRENT	NET PREVIOUSLY PAID	NET AMOUNT THIS PAYMENT	BALANCE TO COMPLETE
McSHANE CONSTRUCTION CORP	DEMOLITION AND MISC SITE WORK	0.00%	325,520	0	0	0	325,520
TO BE CONTRACTED	GRADING	0.00%	60,590	0	0	0	60,590
TO BE CONTRACTED	ASPHALT & ELEVATED SIDEWALK	0.00%	40,000	0	0	0	40,000
TO BE CONTRACTED	UTILITY SERVICE	0.00%	62,437	0	0	0	62,437
TO BE CONTRACTED	ROOF LANDSCAPING	0.00%	83,319	0	0	0	83,319
McSHANE CONSTRUCTION CORP	CONCRETE FLATWORK	0.00%	0	0	0	0	0
McSHANE CONSTRUCTION CORP	CONCRETE	0.00%	169,934	0	0	0	169,934
TO BE CONTRACTED	MASONRY RESTORATION	0.00%	1,442,153	0	0	0	1,442,153
TO BE CONTRACTED	MASONRY STAIRS & FAÇADE	0.00%	300,658	0	0	0	300,658
TO BE CONTRACTED	STEEL	0.00%	142,035	0	0	0	142,035
McSHANE CONSTRUCTION CORP	CARPENTRY	0.00%	394,770	0	0	0	394,770
TO BE CONTRACTED	COUNTER TOPS	0.00%	14,419	0	0	0	14,419
TO BE CONTRACTED	DOORS AND FRAMES	0.00%	155,150	0	0	0	155,150
TO BE CONTRACTED	MILLWORK	0.00%	10,004	0	0	0	10,004
TO BE CONTRACTED	CABINETS	0.00%	35,665	0	0	0	35,665
TO BE CONTRACTED	ROOFING	0.00%	128,282	0	0	0	128,282
TO BE CONTRACTED	WINDOWS	0.00%	205,812	0	0	0	205,812
TO BE CONTRACTED	GLASS STOREFRONT AND GLAZING	0.00%	305,207	0	0	0	305,207
TO BE CONTRACTED	DRYWALL	0.00%	636,142	0	0	0	636,142
TO BE CONTRACTED	ACOUSTICAL TILE	0.00%	20,100	0	0	0	20,100
TO BE CONTRACTED	CEILING	0.00%	358,282	0	0	0	358,282
TO BE CONTRACTED	PLASTER	0.00%	30,760	0	0	0	30,760
TO BE CONTRACTED	PAINT	0.00%	220,760	0	0	0	220,760
McSHANE CONSTRUCTION CORP	SPECIAL ITEMS GEN	0.00%	139,890	0	0	0	139,890
TO BE CONTRACTED	TOILET PART & ACCESSORIES	0.00%	13,076	0	0	0	13,076
TO BE CONTRACTED	ENTRY CANOPY	0.00%	31,078	0	0	0	31,078
NOT APPLICABLE	LOBBY FINISH ALLOWANCE	0.00%	15,000	0	0	0	15,000
TO BE CONTRACTED	KITCHEN EQUIPMENT	0.00%	58,700	0	0	0	58,700
TO BE CONTRACTED	ELEVATOR	0.00%	413,058	0	0	0	413,058
TO BE CONTRACTED	FIRE SPRINKLER	0.00%	175,188	0	0	0	175,188
TO BE CONTRACTED	FLUORING	0.00%	620,766	0	0	0	620,766
TO BE CONTRACTED	HVAC	0.00%	1,219,600	0	0	0	1,219,600
TO BE CONTRACTED	ELECTRIC	0.00%	659,736	0	0	0	659,736
McSHANE CONSTRUCTION CORP	GENERAL CONDITIONS	0.00%	665,863	0	0	0	665,863
McSHANE CONSTRUCTION CORP	INSURANCE AND PERFORMANCE BOND	0.00%	234,891	0	0	0	234,891
McSHANE CONSTRUCTION CORP	OVERHEAD	0.00%	173,926	0	0	0	173,926
McSHANE CONSTRUCTION CORP	McSHANE FEE	0.00%	521,779	0	0	0	521,779
TOTALS:		0.00%	10,148,606	0	0	0	10,148,606
Amount of original contract:			10,148,606		Work completed to date:		0
Extras (o contract Owner Changes: 1 to 0			0		Less retentage		0
Extras to contract Home Owner Op/Orist			0		Net amount earned		0
Total Contract and Extras:			10,148,606		Net previously paid		0
					Net amount of this payment		0

It is understood that the total amount paid to date plus the amount requested in this application shall not exceed the cost of work completed to date.

I agree to furnish Wavers of Lien for all materials under my contract when demanded.

Signed: _____
Position: Executive Vice President

Subscribed and sworn to before me this

March 25, 2010

Notary Public

The above Sworn Statement should be obtained by the owner before each and every payment.

SWORN STATEMENT FOR CONTRACTOR AND SUBCONTRACTOR TO OWNER

March 25, 2010

Application #: 1

JOB NUMBER
9036

STATE OF ILLINOIS, COUNTY OF COOK

RETAIL

The affiant Mark Trichterler, being first duly sworn, on oath deposes and says that he is Executive Vice President of McShane Construction Company, 9550 W. Higgins Road, Suite 200, Rosemont, IL, 60018, that has contracted with Brinshore Development LLC for the renovation of the commercial space at 2600 N. Milwaukee, IL, Cook County.

That, for the purpose of said contract, the following persons have been contracted with and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on said improvement. That there is due and to become due them, respectively the amounts set opposite their names for materials or labor as stated. That this statement is a full and complete statement of all such persons, the amount paid and the amount due or to become due to each.

CONTRACTOR	ITEM	PERCENT COMPLETE	CONTRACT AMOUNT	RETENTION INCLUDING CURRENT	NET PREVIOUSLY PAID	NET AMOUNT THIS PAYMENT	BALANCE TO COMPLETE
McSHANE CONSTRUCTION CORP	DEMOLITION AND MISC SITE WORK	0.00%	69,900	0	0	0	69,900
TO BE CONTRACTED	GRADING	0.00%	20,500	0	0	0	20,500
TO BE CONTRACTED	ASPHALT & ELEVATED SIDEWALK	0.00%	8,000	0	0	0	8,000
TO BE CONTRACTED	UTILITY SERVICE	0.00%	12,800	0	0	0	12,800
TO BE CONTRACTED	ROOF LANDSCAPING	0.00%	1,000	0	0	0	1,000
McSHANE CONSTRUCTION CORP	CONCRETE	0.00%	85,000	0	0	0	85,000
TO BE CONTRACTED	MASONRY STAIRS & FAÇADE	0.00%	125,000	0	0	0	125,000
TO BE CONTRACTED	STEEL	0.00%	70,000	0	0	0	70,000
McSHANE CONSTRUCTION CORP	CARPENTRY	0.00%	140,000	0	0	0	140,000
TO BE CONTRACTED	COUNTER TOPS	0.00%	0	0	0	0	0
TO BE CONTRACTED	DOORS AND FRAMES	0.00%	6,832	0	0	0	6,832
TO BE CONTRACTED	ROOFING	0.00%	12,000	0	0	0	12,000
TO BE CONTRACTED	WINDOWS	0.00%	0	0	0	0	0
TO BE CONTRACTED	GLASS STOREFRONT AND GLAZING	0.00%	360,750	0	0	0	360,750
TO BE CONTRACTED	DRYWALL	0.00%	38,400	0	0	0	38,400
TO BE CONTRACTED	ACOUSTICAL TILE	0.00%	2,500	0	0	0	2,500
TO BE CONTRACTED	OTIOT	0.00%	14,000	0	0	0	14,000
TO BE CONTRACTED	PLASTER	0.00%	16,375	0	0	0	16,375
TO BE CONTRACTED	PAINT	0.00%	16,000	0	0	0	16,000
McSHANE CONSTRUCTION CORP	SPECIAL ITEMS GEN	0.00%	30,000	0	0	0	30,000
TO BE CONTRACTED	TOILET PART & ACCESSORIES	0.00%	13,016	0	0	0	13,016
TO BE CONTRACTED	ENTRY CANOPY	0.00%	31,016	0	0	0	31,016
NOT APPLICABLE	LOBBY FINISH ALLOWANCE	0.00%	7,500	0	0	0	7,500
TO BE CONTRACTED	ELEVATOR	0.00%	100,000	0	0	0	100,000
TO BE CONTRACTED	FIRE SPRINKLER	0.00%	35,000	0	0	0	35,000
TO BE CONTRACTED	PLUMBING	0.00%	51,000	0	0	0	51,000
TO BE CONTRACTED	HVAC	0.00%	215,000	0	0	0	215,000
TO BE CONTRACTED	ELECTRIC	0.00%	55,000	0	0	0	55,000
McSHANE CONSTRUCTION CORP	GENERAL CONDITIONS	0.00%	110,462	0	0	0	110,462
McSHANE CONSTRUCTION CORP	INSURANCE AND PERFORMANCE BOND	0.00%	43,649	0	0	0	43,649
McSHANE CONSTRUCTION CORP	OVERHEAD	0.00%	32,258	0	0	0	32,258
McSHANE CONSTRUCTION CORP	McSHANE FEE	0.00%	96,775	0	0	0	96,775
TOTALS		0.00%	1,882,275	0	0	0	1,882,275

Amount of original contract	1,882,275	Work completed to date	0
Extras to contract Owner's Option	0	Less retainage	0
Extras to contract Home Owner Option	0	Net amount earned	0
Total Contract and Extras	1,882,275	Net previously paid	0
		Net amount of this payment	0

I hereby understand that the total amount paid to date plus the amount requested in this application shall not exceed the cost of work completed to date.

I agree to furnish Waivers of Lien for all materials under my contract when demanded.

Signed: _____
Position: Executive Vice President

Subscribed and sworn to before me this March 25, 2010

Notary Public

The above Sworn Statement should be obtained by the owner before each and every payment.

SWORN STATEMENT FOR CONTRACTOR AND SUBCONTRACTOR TO OWNER

March 25, 2010

Application #: 1

JOB NUMBER
8036

STATE OF ILLINOIS, COUNTY OF COOK

RESIDENTIAL

The affiant Mark Tritschler, being first duly sworn, on oath deposes and says that he is Executive Vice President of McShane Construction Company, 9550 W. Higgins Road, Suite 200, Rosemont, IL, 60018, that has contracted with Brinsboro Development LLC for the 28 unit apartment renovation of the facility at 2800 N. Milwaukee, IL, Cook County.

That, for the purpose of said contract, the following persons have been contracted with and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on said improvement. That there is due and to become due them, respectively the amounts set opposite their names for materials or labor as stated. That this statement is a full, and complete statement of all such persons, the amount paid and the amount due or to become due to each,

CONTRACTOR	ITEM	PERCENT COMPLETE	CONTRACT AMOUNT	RETENTION INCLUDING CURRENT	NET PREVIOUSLY PAID	NET AMOUNT THIS PAYMENT	BALANCE TO COMPLETE
McSHANE CONSTRUCTION CORP	DEMOLITION AND MISC SITE WORK	0.00%	258,228	0	0	0	258,228
TO BE CONTRACTED	GRADING	0.00%	50,280	0	0	0	50,280
TO BE CONTRACTED	ASPHALT & ELEVATED SIDEWALK	0.00%	32,000	0	0	0	32,000
TO BE CONTRACTED	UTILITY SERVICE	0.00%	49,937	0	0	0	49,937
TO BE CONTRACTED	ROOF LANDSCAPING	0.00%	42,319	0	0	0	42,319
McSHANE CONSTRUCTION CORP	CONCRETE FLOWWORK	0.00%	0	0	0	0	0
TO BE CONTRACTED	CONCRETE	0.00%	62,994	0	0	0	62,994
TO BE CONTRACTED	MASONRY RESTORATION	0.00%	1,442,163	0	0	0	1,442,163
TO BE CONTRACTED	MASONRY STAIRS & FACADE	0.00%	265,458	0	0	0	265,458
TO BE CONTRACTED	STEEL	0.00%	72,035	0	0	0	72,035
McSHANE CONSTRUCTION CORP	CARPENTRY	0.00%	264,770	0	0	0	264,770
TO BE CONTRACTED	COUNTER TOPS	0.00%	14,919	0	0	0	14,919
TO BE CONTRACTED	DOORS AND FRAMES	0.00%	149,618	0	0	0	149,618
TO BE CONTRACTED	MILLWORK	0.00%	10,004	0	0	0	10,004
TO BE CONTRACTED	CABINETS	0.00%	35,685	0	0	0	35,685
TO BE CONTRACTED	FIREPROOF	0.00%	0	0	0	0	0
TO BE CONTRACTED	ROOFING	0.00%	116,262	0	0	0	116,262
TO BE CONTRACTED	WINDOWS	0.00%	205,812	0	0	0	205,812
TO BE CONTRACTED	GLASS STOREFRONT AND GLAZING	0.00%	34,417	0	0	0	34,417
TO BE CONTRACTED	DRYWALL	0.00%	597,742	0	0	0	597,742
TO BE CONTRACTED	ACOUSTICAL TILE	0.00%	17,600	0	0	0	17,600
TO BE CONTRACTED	CEILING	0.00%	344,282	0	0	0	344,282
TO BE CONTRACTED	PLASTER	0.00%	15,375	0	0	0	15,375
TO BE CONTRACTED	PAINT	0.00%	204,760	0	0	0	204,760
McSHANE CONSTRUCTION CORP	SPECIAL ITEMS GEN	0.00%	163,690	0	0	0	163,690
TO BE CONTRACTED	ENTRY CANDY	0.00%	0	0	0	0	0
NOT APPLICABLE	LOBBY FINISH ALLOWANCE	0.00%	7,600	0	0	0	7,600
TO BE CONTRACTED	KITCHEN EQUIPMENT	0.00%	58,700	0	0	0	58,700
TO BE CONTRACTED	ELEVATOR	0.00%	313,838	0	0	0	313,838
TO BE CONTRACTED	FIRE SPRINKLER	0.00%	140,188	0	0	0	140,188
TO BE CONTRACTED	PLUMBING	0.00%	489,780	0	0	0	489,780
TO BE CONTRACTED	HVAC	0.00%	1,004,600	0	0	0	1,004,600
TO BE CONTRACTED	ELECTRIC	0.00%	538,736	0	0	0	538,736
McSHANE CONSTRUCTION CORP	GENERAL CONDITIONS	0.00%	655,391	0	0	0	655,391
McSHANE CONSTRUCTION CORP	INSURANCE AND PERFORMANCE BOND	0.00%	191,252	0	0	0	191,252
McSHANE CONSTRUCTION CORP	OVERHEAD	0.00%	141,668	0	0	0	141,668
McSHANE CONSTRUCTION CORP	McSHANE FEE	0.00%	425,004	0	0	0	425,004
TOTALS		0.00%	8,266,331	0	0	0	8,266,331

Amount of original contract	8,266,331	Work completed to date	0
Extras to contract Owner Changes: 1 to 0	0	Less retainage	0
Extras to contract Home Owner Options:	0	Net amount earned	0
Total Contract and Extras:	8,266,331	Net previously paid	0
		Net amount of this payment	0

It is understood that the total amount paid to date plus the amount requested in this application shall not exceed the cost of work completed to date.

I agree to furnish Warrants of Lien for all materials under my contract when demanded.

Signed: _____
Position: Executive Vice President

Subscribed and sworn to before me this _____ March 26, 2010

Notary Public

This above Sworn Statement should be obtained by the owner before each and every payment.

Client#: 1084

Rider: A

MCSHCONI

ACORD™ CERTIFICATE OF LIABILITY OF INSURANCE		Date (MM/DD/YYYY) 8/1/2005					
PRODUCER PRODUCER NAME PRODUCER ADDRESS PRODUCER PHONE NUMBER		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.					
INSURED SUB-CONTRACTOR NAME SUB-CONTRACTOR ADDRESS:		INSURERS AFFORDING COVERAGE NAIC#					
		INSURER A: INSURANCE COMPANY A INSURER B: INSURANCE COMPANY B INSURER C: INSURER D: (Must be rated A- or better) INSURER E: (Must be rated A- or better)					
COVERAGES							
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR LTR	ADDY	INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A			GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS <input checked="" type="checkbox"/> E <input checked="" type="checkbox"/> XCU <input checked="" type="checkbox"/> BROAD FORM PD GENL. AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LLC	POLICY NUMBER INCLUDES: OPERATIONS OF SUBS-CONTINGENT CONTRACTUAL LIAB	DATE	DATE	EACH OCCURRENCE \$ 1,000,000.00 FIRE DAMAGE (Any other) \$ 100,000.00 MED EXP (Any one person) \$ 5,000.00 PERSONAL & ADV INJURY \$ 1,000,000.00 GENERAL AGGREGATE \$ 2,000,000.00 PRODUCTS/COMMOD AGG \$ 1,000,000.00
A			AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	POLICY NUMBER	DATE	DATE	COMBINED SINGLE LIMIT (Ex. accident) \$ 1,000,000.00 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
			GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA/ACCIDENT \$ OTHER THAN EA/ACCIDENT \$ AUTO ONLY - AGG \$
A			EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MA <input type="checkbox"/> DEDUCTIBLE RETENTION \$	POLICY NUMBER	DATE	DATE	EACH OCCURRENCE \$ 5,000,000.00 AGGREGATE \$ 5,000,000.00
A			WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICE MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	POLICY NUMBER	DATE	DATE	<input checked="" type="checkbox"/> NO STATUS/OTHER/STATE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000.00 E.L. DISEASE - EA/E/EMPLOYEE \$ 100,000.00 E.L. DISEASE - POLICY LIMIT \$ 500,000.00
B			OTHER PROFESSIONAL LIABILITY (CLAIMS MADE)	POLICY NUMBER	DATE	DATE	\$1,000,000 PER CLAIM \$1,000,000 AGGREGATE
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS PROJECT DESCRIPTION TYPED HERE							
				Halrpin Lofts and Logan Community Arts Center #09036 2800 N. Milwaukee Chicago, IL 60618			
(See Attached Descriptions)							
CERTIFICATE HOLDER				CANCELLATION			
McShane Construction Company, LLC 9550 W. Higgins, Suite 200 ROSEMONT, IL 60018				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE OF THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.			
				AUTHORIZED REPRESENTATIVE			

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsements.

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

ADDITIONAL INSURED WITH RESPECT TO ALL POLICIES EXCEPT WORKERS' COMPENSATION AND PROFESSIONAL LIABILITY APPLIES ON A PRIMARY BASIS, AND THE INSURANCE OF THE ADDITIONAL INSURED SHALL BE NON-CONTRIBUTORY:

McShane Construction Company, LLC, THE OWNER, THE OWNER'S DESIGNATED LENDER AND SUCH OTHER PARTIES AS MCSHANE IS REQUIRED UNDER THE CONTRACT DOCUMENTS TO NAME AS ADDITIONAL INSUREDS.

McShane Construction Company LLC
Hairpin Lofts LLC
Herlshome Plunkard Architecture
Wiss, Janney, Elstner Associates, Inc
City of Chicago
USA 71 Hairpin Lofts LLC
Richman Fund Manager, Inc
CJCorp Municipal Mortgage Inc
Hairpin Retail, LLC
Community Reinvestment Fund, Inc

GENERAL LIABILITY ADDITIONAL INSURED ENDORSEMENT IS ATTACHED,
(ISO FORM CG 20 10 10 01 AND CG 20 37 10 01 OR FORMS
PROVIDING EQUIVALENT COVERAGE.

ALL POLICIES INCLUDE A WAIVER OF SUBROGATION IN FAVOR OF MCSHANE
CONSTRUCTION COMPANY, LLC

The following cancellation notice supercedes the standard wording:
Should any of the above described policies be cancelled or materially
changed before the expiration date thereof, the issuing insurer will mail
30 days written notice to the certificate holder named.

Fidat A

POLICY NUMBER

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - (FORM B)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an Insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

Sample

POLICY NUMBER

COMMERCIAL GENERAL LIABILITY
CG 20 10 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:	
---------------------------------	--

(If an entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Section II - Who Is an Insured is amended to include as an insured the person or organization shown in this Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.
- B. With respect to the insurance afforded to these additional insureds, the following exclusion is added:
2. Exclusions
- This insurance does not apply to "bodily injury" or "property damage" occurring after:
- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured, with the following exception: where operations as been complete; or
 - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 10 01

THIS ENDORSEMENT CHANGES THE POLICY.. PLEASE READ IT CAREFULLY

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:
Location And Description of Completed Operations:
Additional Premium:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section 11 - Who Is An Insured is amended to include as an Insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that Insured, and included in the "products-completed operations hazard".

Client#: 1084

MCSHCONI


ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 3/09/2010
PRODUCER MN-COMMERCIAL LINES COBB-STRECKER DUNPHY & ZIMMERMANN 150-S FIFTH ST STE 280P MINNEAPOLIS, MN 55402	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED	INSURERS AFFORDING COVERAGE	NAIC #
MCSHANE CONSTRUCTION COMPANY LLC 9550 W HIGGINS RD STE 200 ROSEMONT, IL 60018	INSURER A: TRAVELERS PROPERTY CASUALTY CO/AMERI	
	INSURER B: ILLINOIS NATIONAL INSURANCE CO	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRC	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> XCU <input checked="" type="checkbox"/> BROAD FORM PD GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC.	CO3660B453TIL	10/01/09	10/01/10	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP. (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/PROP AGG \$2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	CAP118D3142TIL	10/01/09	10/01/10	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
B		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 0	BE23649441	10/01/09	10/01/10	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	UB4458B61709* UB4485B80409** *ALL OTHER STATES **AZ & MA	10/01/09 10/01/09	10/01/10 10/01/10	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
		OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
ALL WORK PERFORMED
 ADDITIONAL INSURED ONLY IF REQUIRED BY WRITTEN CONTRACT W/RESPECT TO GENERAL LIABILITY AND AUTOMOBILE LIABILITY: HAIRPIN LOFTS LLC, RICHMAN FUND MANAGER INC, CITIBANK NA, CITY OF CHICAGO-DEPARTMENT OF COMMUNITY DEVELOPMENT, HAIRPIN RETAIL LLC AND CRF PROJECTS LLC SERIES V-5

CERTIFICATE HOLDER	CANCELLATION 10 Days for Non-Payment
HAIRPIN LOFTS LLC 666 DUNDEE RD STE 1102 NORTHBROOK, IL 60062	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Rider K

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of McShane Construction Company, an [Illinois _____], as the General Contractor. The Developer shall submit copies of the Construction Contract to DCD in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond (American Institute of Architect's Form No. A311 or its equivalent) or a letter of credit. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.07** (Employment Profile), **Section 8.08** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement), **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance) and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay of completion of the Project in excess of 90 days, (c) changes the basic use of the Project, or (d)

permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to DCD for DCD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of DCD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

8.08 Prevailing Wage. Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the City Housing Loan or Lender Financing, the Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the ADepartment), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.08.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) At least twenty-four percent (24%) by MBEs.
- (2) At least four percent (4%) by WBEs.

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

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

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

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

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

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

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff,

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

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Community Development, Development Support Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the

certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, ~~cancelled, or non-renewed~~ cancelled, or non-renewed by the insurer; provided, however, 10 days prior written notice shall be given to the City in the event that coverage is cancelled for non-payment of insurance premiums.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractor(s).

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

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

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

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

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

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

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

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

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.

CONSTRUCTION CONTRACT RIDER

The provisions of this Construction Contract Rider (the "Rider") are part of the Agreement to which this Rider is attached. In the event of any conflict between any provision of this Rider and any other provision of the Agreement, the provision of this Rider shall control.

1. Bond/Letter of Credit. The Contractor shall maintain **[Check as applicable]** a payment and performance bond; or a letter of credit in an amount not less than \$ 10,148,100 acceptable to the City of Chicago (the "City") in full force and effect until completion of the Work.

2. No Payment, Gratuity, etc. No payment, gratuity or offer of employment shall be made in connection with the Work, by or on behalf of a Subcontractor to the Contractor or higher tier Subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

3. MBE/WBE Commitment. (a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 3, during the course of the Work, the Contractor shall expend or cause to be expended, for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"), at least the following percentages of the aggregate hard construction costs (as set forth in the Project Budget, as defined in the hereinafter defined Loan Agreement):

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

(b) For purposes of this Section 3 only, the Contractor (and any party to whom a subcontract is let by the Contractor in connection with the Work) shall be deemed a "contractor" and the Agreement (and any subcontract let by the Contractor in connection with the Work) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable. In addition, 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; and the term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Contractor's MBE/WBE commitment may be achieved in part by the Contractor's status as an MBE or WBE (but only to the extent of any Work actually performed by the Contractor itself) 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 Work actually performed by the MBE or WBE itself), by subcontracting a portion of the Work to one or more MBEs or WBEs, or by the purchase of materials or services used in the Work from one or more MBEs or WBEs, or by a 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 Contractor's MBE/WBE commitment as described in this Section 3. In accordance with Section 2-92-730, Municipal Code of Chicago, the Contractor shall not substitute any MBE or WBE subcontractor without the prior written approval of the City's Department of Community Development ("DCD").

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

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

(f) Any reduction or waiver by the City of the Contractor's MBE/WBE commitment as described in this Section 3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Work, the Contractor and all major subcontractors shall be required to meet with the monitoring staff of DCD with regard to the Owner's MBE/WBE commitment under that certain Housing Loan Agreement between the City and the Owner in connection with the Work (the "Loan Agreement") and the Contractor's compliance with its obligations under this Section 3. During said meeting, the Owner and the Contractor shall demonstrate to DCD their plans to achieve their respective MBE/WBE obligations, the sufficiency of which shall be approved by DCD. During the Work, the Contractor shall submit the documentation

required by this Section 3 to the Owner and the monitoring staff of DCD. Failure to submit such documentation on a timely basis, or a determination by DCD, upon analysis of the documentation, that the Contractor is not complying with its obligations under this Section 3, shall, upon the delivery of written notice to the Owner, be deemed an Event of Default under the Loan Agreement and may be an event of default under the Agreement. Upon the occurrence of any such Event of Default, in addition to any other remedies provided under any of the Loan Documents (as defined in the Loan Agreement), the City may: (1) issue a written demand to the Owner to halt the Work, (2) withhold any further payment of any Loan (as defined in the Loan Agreement) proceeds to the Owner or the Contractor, or (3) seek any other remedies against the Owner available at law or in equity.

4. Contractor's Use of City Resident Workers. The Contractor shall ensure that at least 50 percent of the total hours worked on the site of the Project by employees of either the Contractor or any Subcontractor in connection with the Work shall be performed by residents of the City. The Contractor agrees to provide to the Owner and DCD documentation in form and substance satisfactory to DCD evidencing its compliance with this Section 4. The Contractor shall ensure that adequate residency records are available for inspection by the Owner and DCD upon reasonable notice for the period from the date hereof through the third anniversary of completion of the Project.

5. Lead-Based Paint. The Project shall constitute HUD-associated housing for purposes of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Section 4821 et seq., as amended, supplemented and restated from time to time), and comply with the requirements thereof to the extent provided under applicable federal regulations, including without limitation the requirements of notice to tenants, prohibition of the use of lead-based paint and for the elimination of the hazards of lead-based paint. Any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, state and local requirements.

6. No Conflict of Interest. No individual who is an employee, agent, consultant, officer or elected or appointed official of the City (and no individual who was an employee, agent, consultant, officer or elected or appointed official within one year prior to the date of the Agreement) and who exercises or has exercised any functions or responsibilities with respect to activities assisted with City funds or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activities, has obtained, is obtaining or will obtain a financial interest or benefit from the Work, or has or will have any interest in the Agreement or any contract, subcontract or agreement with respect to the Project, or the proceeds thereunder, either for himself or for those with whom he has family or business ties.

7. All Applicable Laws. The Contractor shall be subject to, obey and adhere to any and all federal, state and local laws, statues, ordinances, rules, regulations and executive orders as are now or may be in effect during the term of the Agreement which may be applicable to the Contractor, the Work or the Project, including but not limited to the Copeland "Anti-kickback" Act, 18 U.S.C. Section 874, as supplemented by United States Department of Labor regulations at 29 C.F.R. Part 3, and all environmental laws, all as amended, supplemented and restated from time to time.

8. Third-Party Beneficiary. With respect to the provisions of this Rider, the City (1) is a third-party beneficiary, (2) is intended to receive a direct benefit in its capacity as a third-party beneficiary, and (3) shall have the same rights and remedies as the Owner to enforce the provisions of this Rider.

9. Insurance. The Contractor agrees that it shall procure and maintain insurance in such kinds and amounts as shall be required by the City and shall provide the City with a certificate of insurance evidencing such coverages and showing the City as an additional insured with respect to such policies as the City shall request.

10. Labor Standards. The Contractor covenants and agrees to pay, and to contractually obligate and cause each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. Contractor shall list, and all subcontractors shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed. If the Department revises such prevailing wage rates, the revised rates shall apply. Upon the City's or Owner's request, the Contractor shall provide the City with copies of all such contracts entered into by the Contractor to evidence compliance with this Section 10. The Contractor shall ensure that the Department's prevailing wage rates are attached to and incorporated in all bid specifications and subcontracts with respect to the Project.

11. [Intentionally Omitted].

12. Open Dumping; Environmental Restriction. (a) The removal of all recyclable material and garbage, refuse or other waste material, including but not limited to broken concrete, bricks, rock, paving asphalt and incidental debris generated from all construction or demolition activities performed under the Agreement to which this Rider is attached, must be transported to a facility that is properly zoned and permitted to accept such material pursuant to Section 11-4 of the Municipal Code of Chicago and all other applicable local, state and federal laws and regulations. Bills of lading, manifests or other confirmatory receipts signed by a representative of the accepting facility for each load of material must be retained by the Contractor and made available to the City upon request. The Contractor shall complete and provide to the City an affidavit, in the form attached hereto and marked as "DISPOSAL AFFIDAVIT," at the time of the final payment to the Contractor for the Work.

(b) Neither the Contractor nor any "Affiliated Entity" (as defined below) of the Contractor has, during a period of five years prior to the date of execution of this Rider, (1) violated or engaged in any conduct which violated Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code of Chicago or any other "Environmental Restriction" (as defined below); (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from the City, the State of Illinois, the federal government, any state or political subdivision thereof, or any agency, court or body of the federal government or any state or political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions, relating to a violation or alleged violation of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code of Chicago or any other Environmental Restriction; or (3) been subject to any fine or penalty of any nature for failure to

comply with Section 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code of Chicago or any other Environmental Restriction.

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

(d) "Environmental Restriction" means any statute, ordinance, rule, regulation, permit, permit condition, order or directive relating to or imposing liability or standards of conduct concerning the release or threatened release of hazardous materials, special wastes or other contaminants into the environment, and to the generation, use, storage, transportation or disposal of construction debris, bulk waste, refuse, garbage, solid wastes, hazardous materials, special wastes or other contaminants, including but not limited to (1) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*); (2) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*); (3) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*); (4) the Clean Water Act (33 U.S.C. § 1251 *et seq.*); (5) the Clean Air Act (42 U.S.C. § 7401 *et seq.*); (6) the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 *et seq.*); (7) the Safe Drinking Water Act (42 U.S.C. § 300f *et seq.*); (8) the Occupational Health and Safety Act of 1970 (29 U.S.C. § 651 *et seq.*); (9) the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 *et seq.*); and (10) the Illinois Environmental Protection Act (415 ILCS 5/1 through 5/56.6).

(e) The Contractor has obtained certifications in form and substance equal to Section 12(a)-(b) hereof from all Subcontractors that the Contractor presently intends to use in connection with the Project. As to Subcontractors to be used in connection with the Project who are not yet known to the Contractor, the Contractor shall obtain certifications in form and substance equal to Section 12(a)-(b) hereof from all such parties prior to using them in connection with the Project.

(f) The Contractor shall not, without the prior written consent of the City, use any Subcontractor in connection with the Project if the Contractor, based on information contained in such party's certification or any other information known or obtained by the Contractor, has reason to believe that such Subcontractor has, within the preceding five years, been in violation of any Environmental Restriction, received notice of any claim relating to a violation of an Environmental Restriction, or been subject to any fine or penalty for a violation of an Environmental Restriction.

(g) Further, the Contractor shall not, without the prior written consent of the City, use as a Subcontractor in connection with the Project any person or entity from which the Contractor is unable to obtain certifications in form and substance equal to Section 12(a)-(b) hereof or which the Contractor has reason to believe cannot provide truthful certifications.

13. Restriction on Lobbying. (a) The Contractor hereby certifies, that except as disclosed below, there are no persons registered under the Lobbying Disclosure Act of 1995, 2 U.S.C. § 1601

et seq. (the "Disclosure Act"), who have made lobbying contacts on behalf of the Contractor with respect to the Project. If no persons are disclosed below, it shall be conclusively presumed that the Contractor certifies that there are no such persons.

(b) The Contractor certifies that it has not and shall not expend any Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, as defined by applicable Federal law, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. Accordingly, the Contractor has not used any Federal appropriated funds to pay any person listed in Section 13(a) above for his/her lobbying activities in connection with the Project.

(c) The Contractor shall submit an updated certification to the Owner at the end of each calendar quarter in which there occurs any event that materially affect the accuracy of the statements and information set forth in paragraphs (a) and (b) above.

(d) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Transaction, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(e) Either (1) the Contractor is not an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986; or (2) the Contractor is an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and shall not engage in "lobbying activities," as defined in the Disclosure Act.

(f) The Contractor shall require that the language of this Section 13 be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(g) The certification contained in this Section 13 is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

14. No bribery, bid-rigging, etc. The Contractor hereby represents and certifies as follows:

(a) The Contractor, or any party to be used in the performance of the Work (an "Applicable Party"), or any Affiliated Entity of either the Contractor or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the Contractor, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not within the last three years (1) bribed or attempted to bribe, or been convicted of bribery or attempting to bribe a public officer or employee of the City, the State of Illinois or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity; (2) agreed or colluded, or been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise; or (3) made an admission of such conduct described in (1) or (2) above which is a matter of record, but has not been prosecuted for such conduct.

(b) The Contractor has obtained from all Applicable Parties, known by the Contractor at this time, certifications in form and substance equal to paragraph (a) above. Based on such certifications and any other information known or obtained by the Contractor, the Contractor is not aware of any such Applicable Party, any Affiliated Entity of such Applicable Party, or any agent, partner, employee or officer of such Applicable Party or Affiliated Entity having (1) engaged in or been convicted of any of the conduct described in Section 14(a)(1) or (2) above; (2) engaged in or been convicted of bid-rigging, bid-rotating, or any similar offense of any state of the United States of America which contains the same elements as bid-rigging and bid-rotating; or (3) made an admission of the conduct described in Section 14(a)(1) or (2) above which is a matter of record, but not been prosecuted for such conduct.

(c) The Contractor shall, prior to using them in connection with the Work, obtain from all Applicable Parties to be used in connection with the Work but not known by the Contractor at this time, certifications in form and substance equal to paragraph (a) above. The Contractor shall not, without the prior written permission of the City, use any of such Applicable Parties in connection with the Work if the Contractor, based on such certifications or any other information known or obtained by the Contractor, becomes aware of such Applicable Party, any Affiliated Entity of such Applicable Party, or any agent, partner, employee or officer of such Applicable Party or Affiliated Entity having (1) engaged in or been convicted of any of the conduct described in Section 14(a)(1) or (2) above; (2) engaged in or been convicted of bid-rigging, bid-rotating, or any similar offense of any state of the United States of America which contains the same elements as bid-rigging and bid-rotating; or (3) made an admission of the conduct described in Section 14(a)(1) or (2) above which is a matter of record, but not been prosecuted for such conduct.

(d) For all Applicable Parties, the Contractor shall maintain for the term of the Agreement all certifications of all Applicable Parties required by Section 14(b) and (c) above, and the Contractor shall make such certifications promptly available to the City upon request.

(e) The Contractor shall not, without the prior written consent of the City, use as an Applicable Party any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification in form and substance equal to paragraph (a) above.

(f) The Contractor hereby agrees, if the City so demands, to terminate its contract with any Applicable Party, if such Applicable Party was ineligible at the time the contract was entered into for award of such contract, if applicable, under Section 2-92-320 of the Municipal Code, or if applicable, under Section 33-E of Article 33 of the State of Illinois Criminal Code of 1961, as amended, supplemented and restated from time to time. The Contractor shall insert adequate provisions in all contracts to allow it to terminate such contracts as required by this Section 14(f).

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

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

15. Nonsegregated Facilities. (a) The Contractor certifies that it does not and shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and shall not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin because of habit, local custom or otherwise.

(c) The Contractor further agrees that it shall obtain or cause to be obtained identical certifications from proposed Subcontractors in connection with the Project before the award of subcontracts under which the Subcontractor will be subject to the equal opportunity clause. Contracts and Subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the equal opportunity clause. See 41 C.F.R. Part 60 for further information regarding the equal opportunity clause.

(d) The Contractor shall forward or cause to be forwarded the following notice to proposed contractors and subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted before the award of a contract/subcontract under which the contractor/subcontractor will be subject to the Equal

Opportunity clause. The certifications may be submitted either for each contract/subcontract or for all contracts/subcontracts during a period (e.g., quarterly, semiannually or annually).

16. Equal Employment Opportunity. Federal regulations require that certain Contractors and proposed Subcontractors submit the following information with their bids or in writing at the outset of negotiations:

A. Do you have 50 or more employees?

Yes No

If yes, please complete B through D below. If no, no further information is required.

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

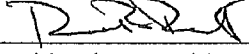
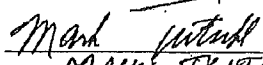
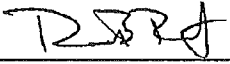

Yes No

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

Yes No

D. If the answer to (C) is yes, have you filed with the Joint Reporting Committee, the Director of OFCC, any federal agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements of these organizations?

Yes No

OWNER:	CONTRACTOR:
<p>Hairpin Retail, LLC, an Illinois limited liability company</p> <p>By: Brinshore 2800 Corp., an Illinois corporation, its Manager</p> <p>By: <u></u> David Brint, President</p>	<p>McShane Construction Company LLC</p> <p>By: <u></u></p> <p>Name: <u>MARK TRUTSCHLER</u></p> <p>Title: <u>EXEC VP</u></p>
<p>Hairpin Lofts, LLC, an Illinois limited liability company</p> <p>By: Hairpin Lofts Manager, LLC, an Illinois limited liability company, its Manager</p> <p>By: Brinshore 2800 Corp., an Illinois corporation, its Managing Member</p> <p>By: <u></u> David Brint, President</p>	
<p>Brinshore 2800 Corp., an Illinois corporation</p> <p>By: <u></u> David Brint, President</p>	

DISPOSAL AFFIDAVIT

CITY OF CHICAGO
DEPARTMENT OF COMMUNITY DEVELOPMENT
CONSTRUCTION ADMINISTRATION SECTION
CONTRACTOR'S AFFIDAVIT REGARDING REMOVAL OF ALL
WASTE MATERIALS AND IDENTIFICATION OF LEGAL DUMP SITES

Contractor to show here the name and location of the ultimate disposal site he / she is proposing to use for the subject project: HARPHAS WPT 2800 N MILWAUKEE AVE, CHICAGO IL

SPECIFY THE TYPE OF MATERIALS TO BE DISPOSED OF: _____
steel, masonry, plaster, wood, brick

LEGAL NAME OF LANDFILL / DISPOSAL SITE: WYLAND RECYCLING
(The Contractor must provide the Commissioner or his / her designated representative with copies of all dump tickets, manifests, etc.)

LOCATION ADDRESS: 10525 W WYLAND AVE, FRANKLIN PARK

PHONE: (847) 283-0601

CONTACT PERSON: MARLENA PALAFOX

Disposal sites submitted shall be of sufficient capacity as to ensure acceptance of the volume of Construction and/or Demolition Debris received for the period of this contract. These disposal sites must meet all zoning and other requirements that may be necessary.

If requested by the Chief Procurement Officer, the Contractor shall submit, copies of all contractual agreements, sanitary landfill permits and/or licenses for those disposal site(s) proposed by the Contractor.

Contractor's Name: ~~MARK~~ McSHANE CONSTRUCTION COMPANY, LLC
Address: 9550 W WILSON RD ROSEMONT, IL 60068
Authorized Signature: Mark Trusciano
Title: EXEC VP
Print Name: MARK TRUSCIANO Date: 3/26/10
Project Address: _____
Owner / Developer: _____

DCD USE ONLY

PROGRAM:

- Multi-Unit E. H. A. P. Facade
 Single Family B. I. L. P. Other:

Date Received: _____

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT F

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

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

[None.]

**HAIRPIN RESIDENTIAL
REDEVELOPMENT AGREEMENT**

EXHIBIT G

PROJECT BUDGET

HAIRPIN RESIDENTIAL BUDGET

Acquisition	1.00
Hard Costs	
Rehab/Construction	6,953,016.00
Contractor General Conditions	555,391.00
Contractor Overhead	141,668.00
Contractor Profit	425,004.00
Construction Contingency	708,340.00
Performance Bond	191,252.00
Interim Costs (Constr. Period)	
Construction Period Insurance	10,996.00
Construction Interest	710,000.00
Construction Period Taxes	10,000.00
Construction Loan/Bond Origination (1%)	66,000.00
Professional Services	
Construction Loan Diligence Report Fees	23,155.84
Architect - Design	181,042.82
Architect - Supervision	60,000.00
Civil Engineer	11,651.96
Structural Engineer	11,200.00
Landscape Design	3,155.93
Historic Consultant	6,216.22
Historic Engineer	65,010.82
LEED Commissioning	44,046.15
Accounting	22,000.00
Appraisal	4,650.00
Market Study	8,060.00
Physical Needs Assessment	3,363.20
Environmental Report & Testing	5,895.20
Marketing and Leasing	40,000
F,F & E/Amenties	10,000

Fees	
Title and Recording	17,821.25
Utility Connections	24,000.00
Survey	17,268.00
Legal Fees	405,731.28
Lender's Inspection Fee	14,000.00
Escrows and Reserves	
Real Estate Escrow	9,800.00
Insurance Escrow	4,900.00
Working Cap/Leasing Reserve	35,000.00
Replacement Reserve	9,800.00
Operating Reserve	107,310.00
Financing Costs	
Permanent Loan Rate Lock and Origination Fee	22,000.00
Tax Credit LIHTC Reservation Fee (5%)	15,525.15
Bond Issuance Fee & Admin Fee	133,200.00
SDTC Reservation Fee (3%)	43,719.00
Other Fees	10,062.19
Anixter Services Fee	10,000
Developer's Fee	811,647
TOTAL COSTS:	\$11,962,899

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT H

REQUISITION FORM

State of Illinois)) ss
COUNTY OF COOK)

The affiant, _____ of Hairpin Lofts, LLC, an Illinois limited liability company ("HLLLC") and _____ of Brinshore 2800 Corp., an Illinois corporation ("Brinshore" and, together with HLLLC, the "Developer"), hereby certify that with respect to that certain Hairpin Lofts Apartments Redevelopment Agreement between the Developer and the City of Chicago dated _____, 20___ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$ _____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ _____

C. Brinshore requests reimbursement for the following costs of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in Paragraph C above have been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

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

3. The Developer is operating the Property for the same use as described in the Developer's TIF application and/or the Redevelopment Agreement.

4. The financial statements for the Developer's most recently-concluded fiscal year are attached to this Requisition Form or have previously been provided to the City.

F. Attached hereto is a copy of the most recently available report (or final approval with respect to the Final Installment only) of the Monitoring and Compliance Division of the Department of Community Development with respect to MBE/WBE, City Resident hiring and prevailing wage matters.

G. Attached hereto is a copy of the inspecting architect's confirmation of construction completion, or percentage of completion, as applicable [ONLY FOR FINAL INSTALLMENT].

H. Attached hereto is documentation establishing full payment of the last installment of real estate taxes due prior to the date hereof.

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

[DEVELOPER]

By: _____
Name: _____
Title: _____

Subscribed and sworn before me this ____ day of _____.

My commission expires: _____

Agreed and accepted:

Name: _____
Title: _____

City of Chicago
Department of Community Development

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT I

APPROVED PRIOR EXPENDITURES

None

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

See Attached.

Transcript Tab 44C

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT K

MINIMUM ASSESSED VALUATIONS*

13-26-225-015	\$80,807
13-26-225-016	\$139,346

*Represents the equalized assessed valuation for tax year 1998, which is the equalized assessed valuation of such Parcel on the date of establishment of the Redevelopment Area.

**HAIRPIN LOFTS APARTMENTS
REDEVELOPMENT AGREEMENT**

EXHIBIT L

ESCROW AGREEMENT

See Attached.

Transcript Tab 43

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

Hairpin Retail Redevelopment Agreement

This Hairpin Retail Redevelopment Agreement (this "**Agreement**") is made as of this 1st day of March, 2010, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development ("**DCD**"), Hairpin Retail, LLC, an Illinois limited liability company ("**HRLLC**"), and Brinshore 2800 Corp., an Illinois corporation ("**Brinshore**" and collectively with HRLLC, the "**Developer**").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on February 16, 2000: (1) "Approval of Tax Increment Redevelopment Plan for Fullerton/Milwaukee Redevelopment Project

Area;" (2) "Designation of Fullerton/Milwaukee Redevelopment Area as Tax Increment Financing District;" and (3) "Adoption of Tax Increment Allocation Financing for Fullerton/Milwaukee Redevelopment Project Area" (the "TIF Adoption Ordinance"), and adopted "Amendment Number 1 to Fullerton/Milwaukee Tax Increment Financing Redevelopment Plan and Project" on May 11, 2005 ("Amendment Number 1")(such ordinances collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above as amended by Amendment Number 1 (collectively, the "**Redevelopment Area**") is legally described in Exhibit A hereto.

D. **The Project:** Brinshore has acquired from the City (the "Acquisition"), and shall subsequently transfer to HRLLC, approximately 15,000 square feet located within the Redevelopment Area as legally described on Exhibit B hereto (the "**Property**"), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (the "**Project**"): rehabilitation of portions of the first and second floors of an a six-story elevator building (the "**Facility**") on the Property, which will consist of approximately 7,000 square feet of retail space on first floor and approximately 8,000 square feet of space for an art center on the second floor in accordance with the requirements set forth in Section 8.19 hereof and related common areas. The Facility shall have partial geo-thermal heating and cooling, a high-efficiency building envelope, low VOC interior paints, low-flow plumbing fixtures, and high efficiency insulated windows. Historic work shall include new ground-floor storefronts in accordance with DCD and Department of Zoning and Land Use Planning, Historic Preservation Division ("DZPHP") approved plans. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "**Project**." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

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

F. **City Financing:** The City agrees to use, in the amounts set forth in Section 4.03(iii) hereof, Available Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. The City, as of the Closing Date, shall allocate and appropriate the amounts set forth in Section 4.03(iii) for payment of the Redevelopment Project Costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("**TIF Bonds**") secured by Incremental Taxes (as defined below) pursuant to an ordinance at a later date as described in Section 8.05 hereof, the proceeds of which may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

Pursuant to an ordinance adopted by the City Council on October 6, 2005, the City entered into a redevelopment agreement dated as of February 16, 2006, with Footwear Factory Development Corp., an Illinois corporation, 3963 West Belmont Residential Property, L.L.C., an Illinois limited liability company, and 3927 West Belmont Commercial Property, L.L.C., an Illinois limited liability company (collectively the "**Footwear Factory Developer**"), for the issuance of a note to the Footwear Factory Developer in the aggregate principal amount not to exceed \$8,000,000 secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Footwear Factory project (the "**Footwear Factory Obligation**").

Pursuant to a bond ordinance adopted by the City Council on December 13, 2006 the City issued \$8,735,000 in aggregate principal amount of General Obligation Bonds (Modern Schools Across Chicago Project), Series 2007E, dated as of January 1, 2007, for which ad valorem taxes levied for repayment will be abated with, along with certain incremental taxes from various other redevelopment project areas, Incremental Taxes (the "**Modern Schools Bonds**").

Pursuant to an ordinance adopted by the City Council on March 10, 2010 (the "**Hairpin Lofts Ordinance**"), the City authorized entering into a redevelopment agreement with Hairpin Lofts, LLC, (the "**Hairpin Lofts Developer**") dated as of even date herewith, whereby the City pledged certain Incremental Taxes for the payment of redevelopment project costs in an amount not to exceed \$5,941,770 from the incremental taxes in connection with the Hairpin Lofts Apartments project (the "**Hairpin Lofts Obligation**").

The Northern Trust Note, the Footwear Factory Obligation, the Modern Schools Bonds and the Hairpin Lofts Obligation are collectively referred to herein as the "**Prior TIF Financings**". The Developer acknowledges that the Prior TIF Financings are prior liens on the Fullerton/Milwaukee TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

"Annual Report" shall mean the report described in **Section 8.21** hereof.

"Available Incremental Taxes" shall mean the 90% of the Incremental Taxes then on deposit in the Fullerton/Milwaukee TIF Fund as reduced to reflect the amount of the City Fee.

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

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

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

"City Property" shall have the meaning set forth in the Hairpin Lofts Ordinance.

"City Fee" shall have the meaning set forth for such term in **Section 4.05(c)** hereof.

"City Funds" shall mean the funds described in **Section 4.03(b)(ii)** hereof.

"Closing Date" shall mean March 31, 2010.

"COC Occupancy Covenant" shall have the meaning set forth for such term in **Section 8.20** hereof.

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

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

"Deed" shall have the meaning set forth in **Section 3.13(b)** hereof.

"DOE" shall mean the City's Department of Environment.

"DZPHP" shall mean the City's Department of Zoning and Land Use Planning, Historic Preservation Division.

"Draft NFR Letter" shall mean a draft comprehensive "no further remediation" letter from the IEPA for the Property, or any portion thereof, based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

"Employer(s)" shall have the meaning set forth in **Section 10** hereof.

"Environmental Laws" shall mean any and all Laws relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "**Superfund**" or "**Superlien**" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and

(x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

“Environmental Remediation” has the meaning set forth in **Section 11.03**.

“Equity” shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in **Section 4.01** hereof, which amount may be increased pursuant to **Section 4.06** (Cost Overruns) or **Section 4.03(b)**.

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

“Escrow Agreement” shall mean, with respect to each construction phase undertaken, the construction escrow agreement to be entered into by the Title Company (or an affiliate of, or an entity as an agent of, the Title Company), the General Contractor, the Developer, the Lender(s) and the City, substantially in the form of **Exhibit L** attached hereto, which shall govern the funding of the Equity, the Lender Financing, and the City Funds.

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

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

“Final NFR Letter” shall mean a final comprehensive “no further remediation” letter from the IEPA approving the use of the Property for the construction, development and operation of the Project.

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

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

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

“Hairpin Lofts Developer” shall have the meaning set forth in the Recitals hereof.

“Hairpin Lofts Ordinance” shall have the meaning set forth in the Recitals hereof

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

“IEPA” shall mean the Illinois Environmental Protection Agency.

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

"Laws" shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal.

"Lender" shall mean any provider of Lender Financing.

"Lender Financing" shall mean funds borrowed by either one of the Developer from any lender to fund costs of, and available to pay for, the Project, in the amount set forth in **Section 4.01** hereof.

"Losses" shall mean any and all debts, liens, claims, actions, causes of action, suits, demands, complaints, legal or administrative proceedings, losses, damages, assessments, obligations, liabilities, executions, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, Remediation Costs, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

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

"MBE/WBE Budget" shall mean the budget as described in **Section 10.03**.

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

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

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on **Exhibit F** hereto.

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

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

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

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

"**Project Budget**" shall mean the budget attached hereto as **Exhibit G**, showing the total cost of the Project by line item, furnished by the Developer to DCD, in accordance with **Section 3.03** hereof.

"**Property**" shall have the meaning set forth in the Recitals hereof.

"**Purchase Price**" shall have the meaning set forth in **Section 3.13(a)**.

"**RACR**" shall mean a Remedial Action Completion Report submitted to the IEPA in connection with a request for a Final NFR Letter.

"**RAP**" shall mean the Remedial Action Plan submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"**ROR**" means the Remediation Objectives Report submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

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

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

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

"**Released Claims**" shall have the meaning set forth for such term in **Section 11.04** hereof.

"**Remediation Costs**" shall mean governmental or regulatory body response costs, natural resource damages, property damages, and the costs of any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon.

"**Reporting Period**" shall have the meaning as set forth in **Section 8.21** hereof.

"**Requisition Form**" shall mean the document, in the form attached hereto as **Exhibit H**, to be delivered by the Developer to DCD pursuant to **Section 4.03** of this Agreement

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

"**SRP**" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"**Surplus**" shall have the meaning set forth in **Section 4.03(c)(iii)**.

"**Survey**" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the

Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or Lender).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2024, the date on which the Redevelopment Area is no longer in effect.

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

"TIF Bond(s)" shall have the meaning set forth for such term in **Section 8.05** hereof.

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to reimburse and/or pay for out of the City Funds, subject to the terms of this Agreement. **Exhibit C** lists the TIF-Funded Improvements for the Project.

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

"Title Company" shall mean Greater Illinois Title Company, an Illinois corporation.

"Title Policy" shall mean a title insurance policy, including all endorsements as shall be required by Corporation Counsel, including but not limited to, an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking if applicable), contiguity (as applicable), location, access and survey, in the most recently revised ALTA or equivalent form, showing the HRLLC as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Section 18.17** hereof: (i) commence construction no later than June 1, 2010; and (ii) complete construction no later than June 1, 2012.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DCD and DZPHP (with respect to all exterior modifications to the Facility), and DCD and DZPHP, respectively, have approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD as a Change Order pursuant to **Section 3.04** hereof. The Scope

Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan as in effect on the date of this Agreement and all applicable Laws. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DCD, and DCD has approved, a Project Budget showing total costs for the Project in an amount not less than Three Million Three Hundred Forty Thousand Thirty-Five Dollars and 00/100 (\$3,340,035). The Developer hereby certifies to the City that (a) the Lender Financing and Equity described in **Section 4.01** hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay of completion of the Project in excess of 90 days, (c) changes the basic use of the Project, or (d) permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to DCD for DCD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of DCD's (and, for any exterior modifications, DZPHP's) written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

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

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

3.07 Progress Reports and Survey Updates. The Developer shall provide DCD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date reflecting a delay in excess of 90 days being considered a Change Order, requiring DCD's written approval pursuant to **Section 3.04**). The Developer shall provide three (3) copies of an updated Survey to DCD upon the request of DCD or any Lender, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by DCD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DCD, prior to requests for disbursement for costs related to the Project. With the written consent of DCD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DCD.

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

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

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

3.12 Permit Fees. In connection with the Project and subject to waivers authorized by City Council, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

3.13 Conveyance of Property. The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) **Purchase Price.** The City hereby agrees to sell, and Brinshore hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the land write down amount of One and no/100 Dollars (\$1.00) (the "**Purchase Price**"), which is to be paid to the City on the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. Brinshore shall subsequently transfer the Property to HRLLC, and such transfer shall be subject to the terms, conditions and covenants of this Agreement. The Developer acknowledges and agrees that the Purchase Price is based on an appraisal prepared in 2010 valued at approximately \$1,565,000 which is the total amount of the land write down of the Property, and the City has only agreed to sell the Property to Brinshore for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions. The City's transfer of the Property to Brinshore, or any other business entity, is subject to the City's review and approval of any Reciprocal Easement Agreement that is made by Brinshore and/or HRLLC with the Hairpin Lofts Developer in connection with the adjoining Hairpin Lofts Apartments residential development.

(b) Form of Deed. The City shall convey the Property to Brinshore by quitclaim deed (the "Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

- (i) the Redevelopment Plan;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) all leases of record and not shown of record, including the (1) Lease Agreement dated May 12, 1987, amended by a Lease Amendment/Extension Agreement dated May 8, 1997, a Lease Amendment/Extension Agreement dated July 30, 2002, and a letter dated March 6, 1998 with Payless Shoesource, Inc.; (2) Facilities Space Lease dated May 10, 2006, as amended by Amendment Number One to Facilities Space Lease dated May 25, 2007 with United States Cellular Operating Company of Chicago, LLC as Lessee; and (3) Rooftop Lease With Option with VoiceStream GSM I Operating Company as Lessee, recorded on October 23, 2007 with the Offices of the Cook County Recorder as Document No. 0729647129 (collectively, the "Leases");
- (vi) such other title defects as may exist; and
- (vii) any and all exceptions caused by the acts of the Developer or its agents.

(c) Title and Survey. The Developer acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating such title commitments (including all search, continuation and later-date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate tax liens attributable to taxes due and payable prior to the Closing Date with respect to the Property, the City shall submit to the County a tax abatement letter and/or file a motion to vacate a tax sale in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall have no further duties with respect to any such taxes. The Developer shall furnish the City with three (3) copies of the survey at Developer's sole cost and expense.

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

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

(f) Assignment of Leases. The City shall convey all of its rights, title and interest in the Leases by delivering an assignment of Leases to Brinshore on the Closing Date (the "Assignment of Leases"). Brinshore shall then assign its interests thereunder to HRLLC.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$3,340,035, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Lender Financing	\$ 800,000
TIF	\$ 1,210,000
Equity (subject to Sections 4.03(b) and 4.06)	
Tax Credits (New Market and Historic)	\$ 995,000
Developer Equity	\$ 265,035
Lease Income	\$ 70,000
ESTIMATED TOTAL	\$ 3,340,035

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or to reimburse Brinshore for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. **Exhibit C** sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be reimbursed from City Funds for each line item therein (subject to **Sections 4.03(b) and 4.07(d)**), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Payment of City Funds.

- i. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to provide City funds (the "City Funds") from Available Incremental Taxes to pay for and/or reimburse Brinshore for the costs of the TIF-Funded Improvements in the amounts determined under **Section 4.03(c)**.
- ii. The City's financial commitment to provide Available Incremental Taxes for such purposes (the "City Funds") shall be as follows:
 - a. \$171,900 shall be placed in Escrow from Available Incremental Taxes on May 1, 2010;
 - b. \$300,000 shall be placed in Escrow from Available Incremental Taxes on or about October 1, 2010;
 - c. \$561,339 shall be placed in Escrow from Available Incremental Taxes on or about December 1, 2010; and

- d. \$176,761 placed in Escrow from Available Incremental Taxes on or about March 1, 2011.

In no event shall any funds set forth in (a) through (d) above be placed into Escrow before the Closing Date. If the Closing Date is after one or more funding dates set forth in (a) through (d) above, the funds that would have been paid on such date(s) shall be paid placed in Escrow on the Closing Date; provided, however, to the extent Available Incremental Taxes are determined to be insufficient to meet the payment schedule set forth in (a) through (d) above, the City shall make such deposit(s) as such Available Incremental Taxes become available. Payment of City Funds from Available Incremental Taxes are subject to the Prior TIF Financings. The City retains the right to fund other projects within the Redevelopment Area using Available Incremental Taxes so long as such funding would not, based upon the City's projections and uses of Available Incremental Taxes at the time the City agrees to provide such funding, result in the amount of Available Incremental Taxes being insufficient to fund the City's obligations under this Agreement.

- iii. Subject to the terms and conditions of this Agreement, payment shall be made to Brinshore (each, an "Installment") in accordance with the terms of the Escrow Agreement and upon Brinshore's submission of a draw request (the "Requisition Form") in accordance with **Section 4.03(c)**. Such Installments shall be in the amount set for in **Section 4.03(c)**; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed One Million, Two Hundred Ten Thousand Dollars and 00/100 (\$1,210,000).
- iv. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement and the Escrow Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement or the Escrow Agreement.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the conditions set forth in parts (i), (ii), (iii) and (iv) above, as well the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in **Section 8.20**. In the event that such conditions are not fulfilled, the amount of Lender Financing and/or Equity to be contributed by the Developer pursuant to **Section 4.01** hereof shall be increased, as necessary, to complete the Project.

(c) Payment Amount. (i) The Installments, to be paid pursuant to a draw request in accordance with the Escrow Agreement and upon submission of a Requisition Form, shall be as follows:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	Upon the later of 25% completion or July 1, 2010	\$171,900
Two	Upon the later of 50% completion or December 1, 2010	\$300,000
Three	Upon the later of 75% completion or February 1, 2011	\$561,339
Four	Certificate of Completion Issued Pursuant to <u>Section 7.01</u> herein	\$176,761

(ii) Any delay in the construction completion date greater than six (6) months from the date set forth in **Section 3.01(ii)** shall result in the City no longer being obligated to reserve Available Increment in anticipation of paying Installments in accordance with **Section 4.03(c)(i)**.

(iii) To the extent that the actual Project costs are less than the budgeted Project costs as set forth in Project Budget (such amount being a "Surplus"), the City Funds can be reduced or reimbursed to the City (as the case may be) by the amount of the Surplus, in accordance with the terms of the Escrow Agreement.

4.04 Construction Escrow. The City, the Developer, the Title Company, the General Contractor and Lenders shall enter into an Escrow Agreement. All disbursements of City Funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement with respect to the payment of City Funds hereunder, the terms of this Agreement shall control. The City shall receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement and shall be approved, subject to compliance with **Section 8.20(a)** hereof, in accordance with the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements .

(a) **Prior Expenditures.** Only those expenditures made by Brinshore with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DCD and approved by DCD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "**Prior Expenditures**"). DCD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. **Exhibit I** hereto sets forth the prior expenditures approved by DCD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be paid to Brinshore but shall increase the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to **Section 4.01** hereof.

(b) **Subsequent Disbursements.** Disbursements of City Funds for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DCD, being prohibited, subject to the terms of **Section 3.04**. DCD shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised DCD that an expenditure qualifies as an eligible cost under the Act.

(c) City Fee. Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project (the "City Fee"). Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

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

4.07 Preconditions of Disbursement. As a condition to the disbursement of City Funds hereunder, Brinshore shall submit, at the time of submission of the Requisition Form in accordance with Section 4.03(c), supporting documentation regarding the applicable expenditures to DCD, which shall be satisfactory to DCD in its sole discretion. Delivery by Brinshore to DCD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification by the Developer to the City, as of the date of such request for disbursement, that:

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

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

(c) the Developer has approved all work and materials for the current Requisition Form, and such work and materials conform to the Plans and Specifications;

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

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

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

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

4.08 Conditional Payment of City Funds. The City Funds being provided hereunder are being provided to Brinshore on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed, as provided for in Section 1.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DCD. Such approvals shall include, without limitation, all building permits necessary for the Project.

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

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a pro forma copy of the Title Policy for the Property, certified by the Title Company, showing HRLLC as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit F hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Developer has provided to DCD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements, including any reciprocal easement agreements, and encumbrances of record with respect to the Property not addressed, to DCD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under (a) the Developer's names, (b) Richard J. Sciortino, and (c) David B. Brint (collectively, the "Related Parties") as follows:

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

showing no liens against the Developer, the Property, the Related Parties or any fixtures now or hereafter affixed thereto, except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company.

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

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

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as **Exhibit J**, with such changes as required by or acceptable to Corporation Counsel.

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

5.11 Financial Statements. The Developer has provided Financial Statements to DCD for its most recently completed fiscal year, and audited, if any, or unaudited interim financial statements for the period after the end of the most recently completed fiscal year.

5.12 Documentation. Developer will have provided documentation to DCD, satisfactory in form and substance to DCD concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project.

5.13 Environmental. The Developer has provided DOE with copies of all environmental reports completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such report(s), authorizing the City to rely on such reports. If required under **Section 11.03**, the Developer has taken all necessary and proper steps to enroll the Property in the SRP. The City agrees to reasonably cooperate with the Developer in Developer's efforts to satisfy this condition, at no cost to the City.

5.14 Organizational Documents; Economic Disclosure Statement. The Developer has provided, as applicable, a copy of its Articles of Incorporation or Organization, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation

Counsel may require; by-laws of the Developer; and such other organizational documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of McShane Construction Company LLC, a Delaware limited liability company, as the General Contractor. The Developer shall submit copies of the Construction Contract to DCD in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DCD and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an A rating or better using a bond (American Institute of Architect's Form No. A311 or its equivalent) or a letter of credit. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.07** (Employment Profile), **Section 8.08** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement), **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance) and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF REHABILITATION

7.01 Certificate of Completion.

(a) Upon (i) satisfaction of the conditions set forth in Section 7.01(c) hereof, and (ii) upon Developer's written request, DCD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

(b) DCD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

(c) Developer acknowledges that the City will not issue a Certificate until the following conditions have been met:

(i) the Developer has given the City written notification that the Project, including all of the TIF-Funded Improvements, has been completed;

(ii) the Developer has provided DCD with evidence acceptable to DCD showing that Developer has completed the Project in compliance with the plans and specifications and all building permit requirements, including without limitation, receipt of certificate(s) of occupancy for one hundred percent (100%) of the Project;

(iii) in accordance with Section 8.20, the COC Occupancy Covenant is met and the Occupancy Report has been approved;

(iv) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of Section 8.08 (Prevailing Wage) and Section 10 (Developer's Employment Obligations); and

(v) the Developer has provided documentation acceptable to DCD showing that the Developer's Part Three application has been submitted and approved by the Illinois Historic Preservation Agency. If there is a lack of approval of Developer's Part Three submission, and such lack of approval (A) is the sole requirement not met for issuance of the Certificate by DCD pursuant to this Agreement, and (B) has not resulted in any reduction of funds in order to complete the Project in accordance with the scope of work approved by DCD and DZPHP in accordance with Sections 3.02 and 3.04 hereof, then DCD, may, but shall not be obligated to, in the DCD Commissioner's sole discretion, issue the Certificate; and

(vi) a certificate of completion has been issued with respect to the project financed with the Hairpin Lofts Obligation.

(d) Developer acknowledges that the City will not issue a Certificate if there exists an Event of Default under Section 15.01 which has not been cured pursuant to Section 15.03 or Section 15.04.

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

Those covenants specifically described at **Sections 8.02, 8.18, 8.19, 8.20, 8.21** and **11.04** as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided that upon the issuance of a Certificate, the covenants set forth in **Section 8.02** shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to **Section 18.15** of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

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

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

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

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

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

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

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

(a) HRLLC is an Illinois limited liability company and Brinshore is an Illinois corporation, each duly organized, validly existing, qualified to do business in Illinois, and each licensed to do

business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of HRLLC and Brinshore has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

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

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

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

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

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

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

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

(j) prior to the issuance of the Certificate pursuant to **Section 7.01**, the Developer shall not do any of the following without the prior written consent of DCD, which consent shall be in DCD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except the lease of the Facility to tenants in accordance with **Section 8.19** herein) or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto); (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of the Certificate pursuant to **Section 7.01**, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

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

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

Developer represents and warrants that from the later of (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b)

reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

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

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

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

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

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

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

8.02 Covenant to Redevelop. Upon DCD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in **Sections 3.02** and **3.03** hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or the Developer, including, without limitation, all Environmental Laws. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of the Certificate with respect thereto.

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

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

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

8.06 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor, and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in **Sections 8.08** and **10** hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.08, 10.02** and **10.03** of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.08 Prevailing Wage. Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the City Housing Loan or Lender Financing, the Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.08**.

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

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

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

8.12 Financial Statements. The Developer shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended December 31, 2008 and for each year thereafter within 90 days after the end of such fiscal year for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DCD may request.

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

8.14 Non-Governmental Charges. (a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the

Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to DCD, within thirty (30) days of DCD's request, official receipts from the appropriate entity, or other proof satisfactory to DCD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

8.15 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DCD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.16 Compliance with Laws.

(a) Representation. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

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

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City), including any/all penalties, fees, and interest associated thereto, relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

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

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

discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that for the purpose of this Agreement, the minimum assessed value of the City Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference. The assessed value attributed to the Property is a portion of the Minimum Assessed Valuation shown on Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect; provided, however, nothing contained in this provision shall preclude Developer from applying for and receiving any reduction in the amount of real estate taxes payable for the Project or the Property, subject to the provisions of clause (iii) below.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount allocated by the Cook County Assessor's Office for the Property from the total of the Minimum Assessed Value as shown in Exhibit K; provided, however, the Developer is permitted to apply for a Class 9 or L designation from Cook County even if such designation with respect to the Property would result in an assessed value below the Minimum Assessed Value allocated for the Property.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the amount allocated by the Cook County Assessor's Office for the Property from the total Minimum Assessed Value as shown in Exhibit K; provided, however, the Developer is permitted to apply for a Class 9 or L designation from Cook County.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.18(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale (including, without limitation, any sale and leaseback), lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the

date hereof, including the transfer of title from Brinshore to HRLLC, shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this **Section 8.18(c)** to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this **Section 8.18(c)**.

8.19 Permitted and Prohibited Uses. The Facility shall be subject to the following requirements during the Term of the Agreement:

- (a) First floor retail space: uses that shall not be permitted are
 - 1. Funeral homes.
 - 2. Production, manufacturing and/or industrial use (as such terms are generally used and understood in commerce) of any kind or nature.
 - 3. "Head Shops," pornographic "adult" bookstores, tattoo parlors, massage parlors.
 - 4. Car washes, gasoline or service stations, or the display, repair, lease, rent or sale of any motor vehicle, boat or trailer.
 - 5. Convenience stores, storage/warehouse uses, currency exchange, tavern, video stores, dollar stores, resale store or packaged goods stores.
 - 6. Any use which creates a nuisance or materially increases noise or emissions of dust, odor, smoke or gases.
 - 7. Any use which materially increases the risk of fire, explosion or radioactive hazard.
 - 8. Any use involving Hazardous Materials.
 - 9. Thrift stores or flea markets, excluding auction rooms, art or antique stores, or establishments selling books on a consignment basis.

(b) Second floor arts center space: permitted uses shall be artistic performances; senior, toddler and/or after school programs; community meetings, workshops, classes and other educational programming; yoga and other fitness classes; gallery space and banquet space or other uses consistent herewith which support the needs of the surrounding community.

(c) Roof: permitted uses shall be for continued leases with US Cellular and T-Mobile for cellular tower antenna facilities and any other uses in compliance with the City's Zoning and Land Use Ordinance, and other legal uses as approved by the City in its sole discretion.

8.20 Occupancy.

Developer shall cause to lease not less than sixty percent (60%) of the first floor retail square footage of the Facility and the second floor arts center space on or before the date of issuance of the Certificate of Completion (the "COC Occupancy Covenant"). At the time the COC Occupancy Covenant is met and for each Reporting Period, the Developer shall provide, to the satisfaction of

the City, documentation relating to (a) for the first floor retail space, a list of tenants, their businesses and the number of employees, and (b) for the second floor arts center space, a copy of the lease(s) demonstrating to the satisfaction of DCD the utilization of the space only for such purposes set forth in Section 8.19(b) hereof, along with such other information as the City shall request (the "Occupancy Report"). Developer shall cause the Facility to be used in accordance with Section 8.19 hereof and the Redevelopment Plan. The covenants contained in this Section 8.20 shall run with the land and be binding upon any transferee for the term of this Agreement.

8.21 Annual Report. Developer shall provide to DCD an Annual Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications to evidence that all ongoing requirements have been satisfied during the preceding reporting period. The Annual Report shall be submitted each year, for ten (10) years, on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "Reporting Period"). Failure by the Developer to submit the Annual Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in this Section 8.21 shall run with the land and be binding upon any transferee for the term of this Agreement.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq.,

Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

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

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

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

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

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

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

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

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

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by**

the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

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

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

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

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

- (1) At least twenty-four percent (24%) by MBEs.
- (2) At least four percent (4%) by WBEs.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or

subcontractor with a non MBE/WBE General Contractor or subcontractor without the prior written approval of DCD.

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

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

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

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

SECTION 11. ENVIRONMENTAL MATTERS

11.01 "AS IS" SALE. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

11.02 The Developer hereby represents and warrants to the City that the Developer has performed a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E1527-05 standard ("Phase I") and other environmental studies sufficient to conclude that the Project may be rehabilitated, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the ordinance authorizing the City Housing Loan, all ordinances authorizing the issuance of the TIF Bonds, if any, and the Redevelopment Plan. The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property.

11.03 Environmental Remediation. Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, DOE shall have the right to review and approve the Phase I and any other reports prepared for the Property. Upon DOE's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project, including, without limitation, updating or expanding the Phase I and performing initial or additional Phase II testing. If the environmental reports for the Property disclose the presence of contaminants exceeding TACO Tier I residential remediation objectives on or under the Property, the Developer shall enroll the Property in the IEPA's SRP Program and take all necessary steps to obtain a Draft NFR Letter. Unless DOE determines that it is not necessary to enroll the Property in the SRP, the Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and DOE approves, a Draft NFR Letter. After DOE approves the Draft NFR Letter, the Developer covenants and agrees to complete all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws ("Environmental Remediation"). If Environmental Remediation is required on the Property, the Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The City shall have the right to approve the ROR, RAP and RACR for the Property and any changes or modifications thereto, which

approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Environmental Remediation. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation.

11.04 Release and Indemnification. The Developer, on behalf of itself and anyone claiming by, through or under it, hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release, emission or discharge of Hazardous Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

11.05 Release Runs with the Land. The covenant of release in Section 11.04 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of its current or former officers, directors, employees, agents, predecessors, successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because Section 11.04 contains a full, complete and final release of all such claims.

11.06 Survival. This Section 11 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 12. INSURANCE

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

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A

claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

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

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, cancelled, or non-renewed by the insurer; provided, however, 10 days prior written notice shall be given to the City in the event that coverage is cancelled for non-payment of insurance premiums.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractor(s).

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

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

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

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

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

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

(v) any act or omission by Developer or any Affiliate.

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

the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's

debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

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

(h) the occurrence of an event of default under the Lender Financing, including but not limited to a Funding Lender Event of Default as set forth in the City Housing Agreement, which default is not cured within any applicable cure period;

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

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

(k) the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City; provided however, transfers of investor interests or the removal of the managing member, in each case in accordance with HRLLC's operating agreement shall require only notice to the City.

For purposes of **Sections 15.01(i)** and **15.01(j)** hereof, a natural person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of HRLLC's operating interests.

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

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the

event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of and default made or tendered by HRLLC's managing or investor member shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

15.04 Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such Event of Default as follows:

(a) if the Event of Default is a monetary default, the Lender may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lender of such notice from the City; and

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of **Section 15.04(b)** hereof, if such non-monetary default is an Event of Default set forth in **Section 15.01(e), (f), (g), (h), (i) or (j)** hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 30 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 30 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Funds shall occur until such time as such Personal Developer Default is cured.

SECTION 16. MORTGAGING OF THE PROJECT

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

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

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

(c) Prior to the issuance of the Certificate pursuant to Section 7.01 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DCD.

SECTION 17. NOTICE

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

If to the City: City of Chicago
Department of Community Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

With Copies To: City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602

If to the Developer: Hairpin Retail, LLC and Brinshore 2800 Corp.
c/o Brinshore Development LLC
666 Dundee Road, Suite 1102
Northbrook, IL 60062
Attention: Richard Sciortino

With Copies To: Applegate & Thorne-Thomsen, P.C.
322 South Green Street, Suite 400
Chicago, IL 60607
Attention: Debra A. Kleban

and to: Citi Community Capital
Asset Management
325 E. Hillcrest Drive, #160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Management
Loan/Transaction/File #: 7044

and to: Citi Community Capital
Middle Office
390 Greenwich, 2nd Floor
New York, New York 10013
Attention: Desk Head
Loan/Transaction/File #: 7044

and to: Citigroup Inc.
Citi Community Capital
Municipal Securities Division
388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
Loan/Transaction/File #: 7044

and to: Citicorp Municipal Mortgage Inc.
Citi Community Capital
c/o 701 East 60th Street, N
Sioux Falls, South Dakota 57117
Attention: Loan Administrator
Loan/Transaction/File #: 7044

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

SECTION 18. MISCELLANEOUS

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

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

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

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

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

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

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

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

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

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

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

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

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

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

18.15 Assignment. Except as permitted in accordance with a Permitted Lien, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to **Sections 8.18** (Real Estate Provisions) and **8.22** (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be

enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

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

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

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

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

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

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

the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

Hairpin Retail, LLC, an Illinois limited liability company

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Manager

By: _____
David Brint, President

Brinshore 2800 Corp.,
an Illinois corporation

By: _____
David Brint, President

CITY OF CHICAGO

By: Christine Raguso
Christine Raguso, Acting Commissioner
Department of Community Development

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

Hairpin Retail, LLC, an Illinois limited liability company

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Manager

By: David Brint
David Brint, President

Brinshore 2800 Corp.,
an Illinois corporation

By: David Brint
David Brint, President

CITY OF CHICAGO

By: _____
Christine Raguso, Acting Commissioner
Department of Community Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Margaret A. Grassano, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that David Brint, personally known to me to be the President of Brinshore 2800 Corp., an Illinois corporation ("Brinshore") and the manager of Hairpin Retail, LLC an Illinois limited liability company ("Hairpin") 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 Brinshore, as his/her free and voluntary act, as the free and voluntary act of Brinshore and as the free and voluntary act of Hairpin, for the uses and purposes therein set forth.

March GIVEN under my hand and official seal this 26th day of 2010.

Margaret A. Grassano
Notary Public



My Commission Expires 7-18-2010

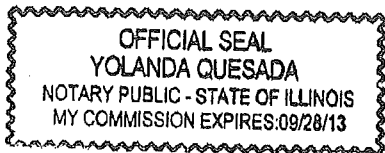
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

2010. GIVEN under my hand and official seal this 31st day of March,

Yolanda Quesada
Notary Public

My Commission Expires 9.28.2013



**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

See Attached.

Appendix B.

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

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

Parcel 1:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Parcel 2:

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

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

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

EXHIBIT B
RETAIL
LEGAL DESCRIPTION

COMMERCIAL PARCEL C1

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 19.49 FEET; THENCE NORTH 00°25'27" EAST, 18.03 FEET; THENCE NORTH 89°34'33" WEST, 7.63 FEET; THENCE NORTH 00°25'27" EAST, 11.99 FEET; THENCE NORTH 89°34'33" WEST, 4.00 FEET; THENCE NORTH 00°25'27" EAST, 10.76 FEET; THENCE NORTH 40°25'27" EAST, 3.79 FEET; THENCE NORTH 44°28'25" WEST, 0.33 FEET; THENCE NORTH 40°25'27" EAST, 13.46 FEET; THENCE SOUTH 49°34'33" EAST, 9.98 FEET; THENCE NORTH 41°06'29" EAST, 47.07 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THE REMAINING COURSES BEING ALONG THE PERIMETER LINES OF SAID TRACT; THENCE NORTH 49°29'35" WEST, 25.94 FEET; THENCE SOUTH 40°30'25" WEST, 58.83 FEET; THENCE SOUTH 00°17'06" EAST, 55.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C2A

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE NORTH 00°17'06" WEST, ALONG THE WESTERLY LINE OF SAID TRACT, 55.21 FEET; THENCE NORTH 40°30'25" EAST, ALONG THE WESTERLY LINE OF SAID TRACT, 58.83 FEET TO THE NORTHERLY MOST CORNER THEREOF; THENCE SOUTH 49°29'35" EAST, ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 32.27 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 41°06'29" WEST, 40.46 FEET; THENCE NORTH 49°23'47" WEST, 6.33 FEET; THENCE NORTH 41°06'29" EAST, 40.45 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE SOUTH 49°29'35" EAST, 6.33 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C2B

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +48.77 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 25.86 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°05'28" WEST, 24.09 FEET; THENCE SOUTH 89°34'33" EAST, 9.20 FEET; THENCE NORTH 17°06'59" EAST, 9.12 FEET; THENCE NORTH 72°20'59" WEST, 0.42 FEET; THENCE NORTH 17°06'59" EAST, 4.52 FEET; THENCE NORTH 17°06'59" EAST, 8.10 FEET; THENCE NORTH 73°36'04" WEST, 1.25 FEET; THENCE NORTH 49°23'47" WEST, 11.54 FEET; THENCE SOUTH 41°06'29" WEST, 6.62 FEET; THENCE NORTH 49°34'33" WEST, 9.98 FEET; THENCE SOUTH 40°25'27" WEST, 12.54 FEET; THENCE NORTH 44°28'25" WEST, 15.54 FEET TO THE WESTERLY LINE OF SAID TRACT; THE REMAINING COURSES BEING ALONG THE PERIMETER LINES OF SAID TRACT; THENCE NORTH 40°30'25" EAST, 58.26 FEET; THENCE SOUTH 49°29'35" EAST, 155.53 FEET; THENCE NORTH 89°36'08" WEST, 130.34 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C3A

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE NORTH 00°17'06" WEST, ALONG THE WESTERLY LINE OF SAID TRACT, 55.21 FEET; THENCE NORTH 40°30'25" EAST, ALONG THE WESTERLY LINE OF SAID TRACT, 58.83 FEET TO THE NORTHERLY MOST CORNER THEREOF; THENCE SOUTH 49°29'35" EAST, ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 32.27 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 41°06'29" WEST, 40.46 FEET; THENCE NORTH 49°23'47" WEST, 6.33 FEET; THENCE SOUTH 41°06'29" WEST, 8.10 FEET; THENCE SOUTH 00°05'32" EAST, 3.58 FEET; THENCE SOUTH 72°19'30" EAST, 8.06 FEET; THENCE SOUTH 17°19'36" WEST, 1.77 FEET; THENCE SOUTH 72°38'41" EAST, 6.43 FEET; THENCE NORTH 17°06'59" EAST, 9.02 FEET; THENCE NORTH 41°06'29" EAST, 38.96 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE NORTH 49°29'35" WEST, 6.36 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C3B

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +81.82 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 25.86 FEET; THENCE NORTH 00°05'28" WEST, 24.09 FEET; THENCE SOUTH 89°34'33" EAST, 9.20 FEET; THENCE NORTH 17°06'59" EAST, 9.12 FEET; THENCE NORTH 72°20'59" WEST, 0.42 FEET; THENCE NORTH 17°06'59" EAST, 4.52 FEET TO THE POINT OF BEGINNING; THENCE NORTH 17°06'59" EAST, 8.10 FEET; THENCE NORTH 73°36'04" WEST, 1.25 FEET; THENCE NORTH 49°23'47" WEST, 11.54 FEET; THENCE SOUTH 41°06'29" WEST, 6.62 FEET; THENCE SOUTH 41°06'29" WEST, 1.48 FEET; THENCE SOUTH 00°05'32" EAST, 3.58 FEET; THENCE SOUTH 72°19'30" EAST, 8.06 FEET; THENCE SOUTH 17°19'36" WEST, 1.77 FEET; THENCE SOUTH 72°38'41" EAST, 6.02 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C3C

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +96.24 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +81.82 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 38.38 FEET; THENCE NORTH 00°23'52" EAST, 37.27 FEET TO THE POINT OF BEGINNING; THENCE NORTH 72°38'41" WEST, 6.02 FEET; THENCE NORTH 17°19'36" EAST, 1.77 FEET; THENCE NORTH 72°19'30" WEST, 8.06 FEET; THENCE NORTH 00°05'32" WEST, 3.58 FEET; THENCE NORTH 41°06'29" EAST, 24.57 FEET; THENCE SOUTH 49°23'45" EAST, 10.92 FEET; THENCE SOUTH 41°06'29" WEST, 12.00 FEET; THENCE SOUTH 17°06'59" WEST, 12.42 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C3D

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +126.00 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +96.24 FEET CHICAGO CITY

DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 26.04 FEET; THENCE NORTH 00°06'39" WEST, 39.51 FEET; THENCE NORTH 89°53'21" EAST, 20.59 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 79°14'48" EAST, 11.05 FEET; THENCE NORTH 40°25'27" EAST, 11.95 FEET; THENCE NORTH 49°23'47" WEST, 17.53 FEET; THENCE SOUTH 41°06'29" WEST, 17.48 FEET; THENCE NORTH 49°23'47" WEST, 12.24 FEET; THENCE NORTH 41°06'29" EAST, 22.48 FEET; THENCE SOUTH 49°23'47" EAST, 29.70 FEET; THENCE NORTH 40°25'27" EAST, 3.98 FEET; THENCE SOUTH 49°34'33" EAST, 22.00 FEET; THENCE SOUTH 40°25'27" WEST, 13.01 FEET; THENCE NORTH 79°14'48" WEST, 33.32 FEET; THENCE NORTH 00°05'28" WEST, 4.07 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C3E

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +126.00 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +108.66 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 26.04 FEET; THENCE NORTH 00°06'39" WEST, 19.23 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89°34'33" EAST, 20.58 FEET; THENCE NORTH 00°05'28" WEST, 20.47 FEET; THENCE SOUTH 89°53'21" WEST, 20.59 FEET; THENCE SOUTH 00°06'39" EAST, 20.28 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C3F

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +126.00 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +96.24 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 26.04 FEET; THENCE NORTH 00°06'39" WEST, 19.23 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89°34'33" EAST, 22.56 FEET; THENCE SOUTH 00°25'27" WEST, 9.67 FEET; THENCE NORTH 89°34'33" WEST, 22.47 FEET; THENCE NORTH 00°06'39" WEST, 9.67 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMERCIAL PARCEL C4

THAT PART OF LOTS 18, 19 AND 20 IN BLOCK 3 IN WILLIAM E HATTERMAN'S MILWAUKEE AVENUE SUBDIVISION, BEING A SUBDIVISION OF LOTS 15 AND 16 IN BRAND'S SUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +33.85 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +18.84 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 18 BEING THE SOUTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89°36'08" EAST, ALONG THE SOUTH LINE OF SAID TRACT, 34.39 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00°05'28" WEST, 10.27 FEET; THENCE NORTH 89°34'33" WEST, 1.08 FEET; THENCE NORTH 01°20'08" WEST, 7.60 FEET; THENCE NORTH 17°06'59" EAST, 29.15 FEET; THENCE NORTH 41°06'29" EAST, 38.96 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE SOUTH 49°29'35" EAST, ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 116.90 FEET TO THE EAST MOST CORNER OF SAID TRACT; THENCE NORTH 89°36'08" WEST, ALONG THE SOUTH LINE OF SAID TRACT, 121.81 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS:

3414 WEST DIVERSEY AVENUE, CHICAGO, IL

PERMANENT INDEX NUMBERS:

13-26-225-015-0000 AND 13-26-225-016-0000

HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>
Construction	\$1,599,231
TOTAL:	\$1,599,231*

* The maximum amount of City Funds provided to the Developer shall not exceed \$1,210,000.

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT D

REDEVELOPMENT PLAN

See Attached.

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT E

CONSTRUCTION CONTRACT

See Attached.

*See Exhibit E to Residential TIF RDA
at Tab 44A*

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT F

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

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

[None.]

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT G

PROJECT BUDGET

HAIRPIN COMMERCIAL BUDGET

Acquisition	1.00
Hard Costs	
Rehab/Construction	1,882,275.00
Construction Contingency	161,292.00
Interim Costs (Constr. Period)	
Construction Period Insurance	2,749.00
Construction Interest	132,336.00
Construction Period Taxes	10,000.00
Construction Loan/Bond Origination (1%)	8,000.00
Professional Services	
Construction Loan Diligence Report Fees	13,350.00
Architect - Design	45,260.71
Architect - Supervision	15,000.00
Civil Engineer	2,912.99
Structural Engineer	2,800.00
Landscape Design	788.98
Historic Consultant	1,554.05
Historic Engineer	16,252.70
LEED Commissioning	11,011.54
Accounting	5,000.00
Market Study	8,391.25
Environmental Report & Testing	1,473.80
Marketing and Leasing	30,000.00
Tenant Improvement Allowance	173,060.47
Signage	59,000.00
Payless Construction	75,000.00
Fees	
Title and Recording	10,596.50
Utility Connections	6,000.00
Survey	4,317.00
Legal Fees	114,751.00

Lender's Inspection Fee	14,500.00
Escrows and Reserves	
Tenant Improvement Reserve	50,000.00
Working Cap/Leasing Reserve	50,000.00
Replacement Reserve	3,000.00
Financing Costs	
Permanent Loan Rate Lock & Origination	21,000.00
Syndication Fee	29,850.00
Tax Opinion Fee	20,000.00
Other Fees	650.00
Developer's Fee	357,861.00
TOTAL COSTS:	\$3,340,035.00

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT H

REQUISITION FORM

State of Illinois)

) ss
COUNTY OF COOK)

The affiant, _____ of Hairpin Retail, LLC, an Illinois limited liability company ("HRLLC") and _____ of Brinshore 2800 Corp., an Illinois corporation ("Brinshore" and, together with HRLLC, the "Developer"), hereby certify that with respect to that certain Hairpin Retail Redevelopment Agreement between the Developer and the City of Chicago dated _____, 20__ (the "Agreement");

A. Expenditures for the Project, in the total amount of \$_____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ _____

C. Brinshore requests reimbursement for the following costs of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in Paragraph C above have been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

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

3. The Developer is operating the Property for the same use as described in the Developer's TIF application and/or the Redevelopment Agreement.

4. The financial statements for the Developer's most recently-concluded fiscal year are attached to this Requisition Form or have previously been provided to the City.

F. Attached hereto is a copy of the most recently available report (or final approval with respect to the Final Installment only) of the Monitoring and Compliance Division of the Department of Community Development with respect to MBE/WBE, City Resident hiring and prevailing wage matters.

G. Attached hereto is a copy of the inspecting architect's confirmation of construction completion, or percentage of completion, as applicable [ONLY FOR FINAL INSTALLMENT].

H. Attached hereto is documentation establishing full payment of the last installment of real estate taxes due prior to the date hereof.

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

[DEVELOPER]

By: _____
Name: _____
Title: _____

Subscribed and sworn before me this ____ day of _____.

My commission expires: _____

Agreed and accepted:

Name: _____
Title: _____

City of Chicago
Department of Community Development

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT I

APPROVED PRIOR EXPENDITURES

None

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

See Attached.

See Tab 44C

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT K

MINIMUM ASSESSED VALUATIONS*

13-26-225-015	\$ 80,807
13-26-225-016	\$ 139,346

*Represents the equalized assessed valuation for tax year 1998, which is the equalized assessed valuation of such Parcel on the date of establishment of the Redevelopment Area.

**HAIRPIN RETAIL
REDEVELOPMENT AGREEMENT**

EXHIBIT L

ESCROW AGREEMENT

See Attached.

Escrow Account No. U399813-001

ESCROW AND DISBURSEMENT AGREEMENT

This ESCROW AND DISBURSEMENT AGREEMENT (the "Escrow Agreement"), dated as of March 31, 2010 is made and executed by the City of Chicago, Illinois, an Illinois municipal corporation (the "City") through its Department of Community Development ("DCD"), Hairpin Retail, LLC, an Illinois limited liability company (the "Borrower"), Greater Illinois Title Company, an Illinois corporation (as "Escrow Agent"), Citibank, N.A., a national banking association, (the "Funding Lender") and Brinshore 2800 Corp., an Illinois corporation ("Brinshore"). DCD, on behalf of the City, and Funding Lender are referred to herein collectively as the "Funders."

Preliminary Statement

In connection with paying or reimbursing a portion of the costs of acquisition, construction, rehabilitation, development, and equipping of the retail portion of a building located at the northwest corner of the intersection of North Milwaukee Avenue and West Diversey Avenue in the City (the "Project"), the Funding Lender has made a certain loan to the Borrower (the "Borrower Loan") in the amount of Eight Hundred Thousand and No/100 Dollars (\$800,000) pursuant to that certain Loan Agreement (herein as amended, supplemented and restated from time to time (the "Borrower Loan Agreement") by and between the Borrower and the Funding Lender dated as of the date hereof for the Project.

Additionally, the City plans to enter into a Hairpin Retail Redevelopment Agreement (the "TIF Redevelopment Agreement") for the provision of City Funds (as defined in the TIF Redevelopment Agreement) for the Project with the Borrower and Brinshore. Pursuant to the TIF Redevelopment Agreement, the City will deposit the City Funds (as defined therein) into the Escrow Account in accordance with Exhibit E.I. attached hereto. The City shall not be required to deposit or disburse the City Funds to Brinshore prior to the date such funds are made available under the TIF Redevelopment Agreement. The Escrow Agent shall create a subaccount of the Escrow Account (the "TIF Subaccount") for the deposit of the City Funds hereunder.

Brinshore intends to make a capital contribution to the Borrower of the City Funds in the aggregate principal amount of \$1,210,000 (the "Brinshore Equity"). The Escrow Agent shall create a subaccount of the Escrow Account (the "Brinshore Subaccount") for the deposit of City Funds paid to Brinshore.

The Borrower Loan Agreement and the TIF Redevelopment Agreement are referred to herein collectively as the "Agreements." The total amount of the Borrower Loan and the City Funds is set forth on Part I of Exhibit B hereto. The Borrower Loan is secured by a mortgage

(the "Mortgages") covering the land and improvements described therein. The Title Company (as identified on Exhibit A hereto) has issued (or has issued its commitment to issue) an ALTA Mortgagee's Title Insurance Policy with respect to such Mortgage, collectively referred to herein as the "Policy."

Pursuant to the Second Amended and Restated Operating Agreement (the "Operating Agreement") by and among Hairpin Retail, LLC, an Illinois limited liability company, CRF Projects LLC Series V-5, a Delaware limited liability company series (the "Investor"), the Investor will contribute a total of \$995,000 to the capital of the Borrower (the "Cash Equity").

The Funders and the Borrower desire to utilize the staff and expertise of the Escrow Agent to collect, review and approve lien waivers, and disburse the Escrowed Proceeds (as hereinafter defined), subject to the terms and conditions of this Escrow Agreement.

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

I. Creation of and Deposits to Escrow Account.

A. Escrow Account. There is hereby created with the Escrow Agent an escrow account (the "Escrow Account"), including the TIF Subaccount and the Brinshore Subaccount, into which all funds shall be deposited hereunder in the amounts set forth in Part I of Exhibit C hereto (collectively, including the Cash Equity, the "Escrowed Proceeds"). The Escrow Agent will provide, upon written request, any information regarding the disbursement of funds from the Escrow Account, including but not limited to specific disbursements of the proceeds of the Borrower Loan, the City Funds, and the Cash Equity.

B. Borrower's Deposits. The Borrower and Investor will deposit into the Escrow Account the total amount set forth as Cash Equity in Exhibit C hereto. Cash Equity not deposited with the Escrow Agent pursuant to this Escrow Agreement shall be done only in accordance with Part III of Exhibit B hereof.

C. Funder Deposits. Over the term of this Escrow Agreement, the Funders will deposit into the Escrow Account the total amounts set forth for each such Funder, respectively, on Part I of Exhibit C hereto (being the proceeds of such Funder's Loan or the City Funds, as applicable), all at intervals and installments to be determined pursuant to the respective Agreements, and will deposit into the Escrow Account as of the date hereof the amounts, if any, set forth for each Funder, respectively, on Part II of Exhibit C hereto. At the time of each request for a disbursement to be funded from the proceeds of Borrower Loan or City Funds hereunder, such Funder shall make a deposit with the Escrow Agent of all or a portion of the proceeds of the Borrower Loan or City Funds, as applicable, in immediately available funds, in the amount approved by each Funder pursuant to such request for disbursement as provided in Section IV hereof, provided, however, that (i) no event shall have occurred which is or, with the passage of time or the giving of notice or both, would become an event of default under any of the

Agreements, (ii) each condition set forth in Section IV, as applicable, shall have been satisfied, (iii) conditions to disbursement in each Funder's Agreement shall have been satisfied; and (iv) no Funder shall be obligated to deposit any proceeds of the Borrower Loan or City Funds, as applicable unless, at the time of such request, the Borrower Loan is "in balance" (with Deficiency, if applicable) (as such terms are defined in the applicable Agreement) and shall remain in balance following such disbursement. If the Funder of the Borrower Loan or City Funds shall, pursuant to a disbursement request, deposit with the Escrow Agent funds in an amount greater than the amount requested from such Funder, the Escrow Agent shall promptly transfer the amount of such excess back to such Funder.

II. Allocation of Costs with Respect to Sources of Funds.

A. Disbursements of Cash Equity. Cash Equity shall be disbursed as set forth in Exhibits B and C hereto.

B. Disbursement of Funders' Loans. Disbursement of the Borrower Loan or City Funds, as the case may be, shall be as set forth on Exhibit D hereto.

1. [Intentionally Omitted.]

2. Costs. Costs documented as expended for the Project shall be disbursed to Brinshore from the City Funds, provided that such costs expended for the Project are eligible for reimbursement under the TIF Redevelopment Agreement and permitted by law.

C. Principles of Funding. The Borrower's written request for disbursement hereunder shall specify the amounts of Escrowed Proceeds from each source to be disbursed on such draw, which shall be consistent with the following principles governing funding, and in accordance with the Draw Schedule of the Borrower delivered to and approved by each Funder (as amended from time to time with all Funders' written approval):

1. First, the proceeds of the Cash Equity as described in Exhibit B.III.b and Exhibit C.II. shall be used to fund uses that may not be funded from other sources.

2. Second, after the expenditure of the Cash Equity proceeds, City Funds (to the extent available pursuant to this Agreement) and Borrower Loan proceeds in an amount not to exceed \$800,000 shall be used to fund costs in any draw not paid from other sources, at the discretion of Borrower.

The Funding Lender and the Funders, and not the Escrow Agent, are responsible for determining the amount of its disbursement requirement for each disbursement as described in this Section II(B) based upon the amount of each cost identified in the sources and uses payout distribution included in Exhibit D allocated to each Funder. Such amounts and each Funder's agreement thereto shall be evidenced by the written request for disbursement signed by the

Borrower and each Funder, as applicable, and the Escrow Agent is entitled to rely thereon, without further inquiry.

III. Manner of Disbursement. Disbursements from the Escrow Account are to be made as follows, pursuant to each draw request approved pursuant to Section IV hereof:

A. By checks to each subcontractor evidencing payment due for labor and/or materials furnished for the Project;

B. To the undersigned general contractor (the "General Contractor") under its contract for the rehabilitation of the Project, for general requirements, builder's overhead (and for builder's profit, when applicable) and for labor and/or materials furnished directly by the General Contractor for the Project, approved by the Funders and Funding Lender, as applicable, pursuant to such disbursement request;

C. To the General Contractor for labor and/or materials furnished by subcontractors when such items have been paid directly by the General Contractor, and when substantiated by a payment affidavit and lien waiver from the subcontractor;

D. To the Borrower and/or other parties as approved by the Borrower and the Funders and the Funding Lender, as applicable, for non-construction items; and/or

E. Reserved.

For purposes of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services (including remediation), labor, materials and supplies to the Project.

IV. Conditions Precedent to Disbursements. NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER UNTIL EACH FUNDER AND THE FUNDING LENDER (OTHER THAN THOSE FUNDERS SPECIFICALLY SET FORTH IN ITEM A.1(f) BELOW), WHETHER OR NOT CONTRIBUTING FUNDS TO SUCH DISBURSEMENT, HAS APPROVED THE DISBURSEMENT REQUEST. IF ANY FUNDER HAS NOTIFIED THE ESCROW AGENT IN WRITING OR BY TELECOPY NOT TO DO SO, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER (a) EXCEPT AS PROVIDED IN SECTION V(F) HEREOF OR (b) UNLESS AND UNTIL ALL FUNDERS SHALL HAVE JOINTLY NOTIFIED THE ESCROW AGENT IN WRITING TO DO SO.

The additional terms and conditions under which disbursements are to be made under this Escrow Agreement are as follows:

A. All Disbursements. The requirements for all disbursements, including the first and final disbursement, are as follows:

1. Prior to each disbursement of funds hereunder, the following shall be furnished to the Escrow Agent for each disbursement which is requested for the Project:

- a. A sworn owner's statement disclosing all contractors and material suppliers with whom the Borrower has contracted, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "Owner's Statement");
- b. A sworn General Contractor's statement setting forth in detail all contractors and material suppliers with whom the General Contractor has contracted for the Project, their respective addresses, work or materials to be furnished, amounts of contracts, amounts paid to date, amounts of current payments and balances due (the "Contractor's Statement"), together with the partial waiver of the General Contractor in the amount of the draw, and waivers of liens, affidavits, supporting waivers and/or release of liens, if necessary, from subcontractors and material suppliers listed thereon;
- c. An approval of the current condition of title shown in each Policy, from each Funder holding (or to receive) a Policy. When, after the first disbursement, a further title search reveals a subsequently arising exception over which the Title Company is unwilling to insure, the Escrow Agent will notify the Funders and discontinue disbursement until the exception has been disposed of to the satisfaction of the Funders. (A mechanic's lien claim over which the Title Company is required to insure hereunder does not warrant a discontinuance of disbursement);
- d. Other statements, waivers, affidavits, supporting waivers and releases of lien from such persons and in such form as may be required by the Escrow Agent for the purpose of releasing and waiving any and all rights to file mechanic's lien claims against the Project for those amounts and the work or materials which they represent (alternatively, the Borrower may enter into such indemnification arrangement with the Escrow Agent as required by the Escrow Agent to underwrite the requested coverage and issue the said required policy);
- e. The Cash Equity due as of the date of the requested disbursement from the Borrower, as well as sufficient funds in the aggregate, consisting of Cash Equity, City Funds or the proceeds of the Borrower Loan, to cover the amount of the disbursement;
- f. A written approval by the Funders of the requested disbursement and a request that the disbursement be made. For disbursements other than the first disbursement, such approval shall reference any extras or change orders not previously covered by waivers or deposited funds, and the amount of such extra or change order. Except for the disbursement of City Funds to Brinshore, which shall be approved only by DCD, approval of the Servicer (on behalf of the Funding Lender) and DCD are required for every disbursement regardless of whether such Funders are contributing funds to such disbursement. The approval of DCD for disbursements of City Funds

shall consist solely of signed acknowledgement by DCD delivered to the Escrow Agent and Funders that the requirements for such disbursement have been satisfied in accordance with the TIF Redevelopment Agreement, as summarized on Exhibit E.II attached hereto. Brinshore shall loan the City Funds received pursuant to this Agreement to the Borrower pursuant to the Brinshore Loan Documents. Upon receipt of approval by DCD for funding of each disbursement of the City Funds, the Escrow Agent will pay such disbursement of City Funds to Brinshore by disbursing the City Funds from the TIF Subaccount into the Brinshore Subaccount which shall be disbursed from the Brinshore Subaccount in accordance with this Agreement. All Funders and the Servicer shall be copied on the approvals required by this Section;

g. If any Funder so requests, General Contractor shall provide current copies of all of General Contractor's subcontracts from time to time in effect with respect to the Project; and

h. An Architect's Certificate of Payment (Form G702) from Hartshorne Plunkard, Ltd. and, if any Funder makes a written request, all inspection reports made by Borrower's supervisory architect since the preceding disbursement.

2. Simultaneously with each disbursement, the Title Company shall issue and deliver a mechanics' lien and pending disbursement endorsement to each Funder's Policy, if any, in form and substance satisfactory to such Funder (the "Endorsement"). The amount shown in the pending disbursement portion of any such Endorsement shall be the amount of the total disbursement(s) made by such Funder to date, and the effective date thereof shall be the date such Funder's funds are deposited into the Escrow Account.

B. First Disbursement. Prior to the first disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished:

1. Where applicable, the Title Company shall have furnished to each Funder Policy, in such form and with such endorsements as shall be satisfactory to each such Funder, covering the recording of each Funder's Mortgage, if any, and showing each Funder as the insured under its respective Policy.

C. Final Disbursement. Prior to the final disbursement of funds hereunder, and in addition to the requirements set forth above for all disbursements, the following shall be furnished:

1. A certificate addressed to the Escrow Agent, from the Funding Lender's construction consultant, if any, and DCD or its representative, certifying that all rehabilitation or construction work has been completed and materials are in place to the extent shown in the request for payment by the General Contractor.

2. Upon completion of the Project, the Borrower shall promptly submit notice thereof to the Escrow Agent and each Funder and shall cause the Title Company to issue a final Endorsement to each Funder's Policy, if any.

D. Disbursement Following Default Under Funders' Agreements. In the event of a default by Borrower under any of the Agreements (as determined after taking into account all applicable notice and cure periods, if any), any Cash Equity in the Escrow Account will be disbursed by Escrow Agent in accordance with the joint written direction of all Funders.

V. Escrow Agent. It is understood by the parties hereto and by the General Contractor, who executed this Escrow Agreement to evidence its understanding and not as a party hereto, that the following provisions govern the duties of the Escrow Agent hereunder:

A. The Escrow Agent may, at its discretion, take whatever steps the Escrow Agent may deem necessary to verify the accuracy of any sworn statement required hereunder;

B. If at any time the Escrow Agent shall discover a misstatement of a material fact in any request or accompanying documentation, or other notice from the Borrower, it shall promptly give notice of such discovery to the Borrower and each Funder and shall thereafter not disburse funds from the Escrow Account until such misstatements shall have been corrected to the satisfaction of each Funder and if applicable, the Borrower, except as directed pursuant to the joint direction of all Funders and if applicable, the Borrower;

C. The Escrow Agent will not accept any blanket lien waivers by the General Contractor as to labor performed and/or materials furnished by others. The Escrow Agent will not accept any blanket waiver pre-signed by any subcontractor;

D. While the subcontractors and any suppliers of labor and materials listed on sworn statements are not parties to this Escrow Agreement and have no standing hereunder, the Escrow Agent is authorized to furnish to those persons information which the Escrow Agent may deem appropriate with regard to the times at which disbursements might be made to them, and what conditions remain unsatisfied when the Escrow Agent is not in a position to disburse;

E. Any requirement or undertaking herein notwithstanding, there is no obligation assumed by the Escrow Agent for insuring that sufficient funds will be available to pay all costs incurred in completing the Project, or that the Project will be completed. Except with respect to funds for which the Escrow Agent shall have received investment instructions in writing from the Funder of such funds and the Borrower, the Escrow Agent shall be under no duty to invest or reinvest any cash at any time held by it hereunder;

F. Upon receipt of written notice to the Escrow Agent from any Funder, which notice shall be provided to all other Funders and to the Borrower, the Escrow Agent shall transfer to such Funder all amounts previously disbursed by such Funder into the Escrow Account that remain in the Escrow Account;

G. The Escrow Agent's charges for the services performed and title insurance protection furnished hereunder are the responsibility of the Borrower and are to be paid from funds deposited herein, and the Escrow Agent reserves the right to suspend further processing of funds in the Escrow Account until this is done or other arrangements satisfactory to the Escrow Agent have been made; and

H. It is understood by the parties hereto that the requirements listed in this Section V are solely for the Escrow Agent's benefit to assist the Escrow Agent in fulfilling its obligations hereunder.

VI. Special Provisions. Special provisions applicable to this Escrow Agreement are set forth on Exhibit E hereto. If there shall be any inconsistency between the terms of the body of this Escrow Agreement and any term set forth as a special provision on Exhibit E hereto, the term set forth as a special provision on Exhibit E shall prevail.

VII. General.

A. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth on Exhibit F hereto, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested. 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) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day (as defined below) immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail. "Business Day" as used herein shall mean a day on which banks in the City of Chicago are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State of Illinois or any ordinance or resolution of the City of Chicago.

B. No changes, amendments, modifications, cancellations or discharge of this Escrow Agreement, or any part hereof, shall be valid unless in writing executed by the parties hereto or their respective successors and assigns.

C. No official, officer or employee of the City shall be personally liable to the Borrower or any successor in interest in the event of any default or breach of this Escrow Agreement by the City or for any amount which may become due to the Borrower or any successor in interest, or on any obligation under the terms of this Escrow Agreement.

D. The Escrow Agent, the Funders and the Borrower agree that this Escrow Agreement is not intended to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation other than the Escrow Agent, the Funders and the Borrower, as a third party beneficiary or otherwise, under any theory of law.

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

F. This Escrow Agreement shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois, without regard to its conflict of laws principles.

G. This Escrow Agreement may be executed in several counterparts, each of which shall constitute an original and all of which shall constitute one and the same instrument.

H. Funders, the Funding Lender and the Borrower agrees that, absent an Event of Default under the Borrower Loan, any savings in the costs of completing the Project shall, after making any payment due under the Borrower Loan at conversion from a construction to a permanent loan, go to reducing the City Funds, and not to reduce the equity or other Funders loans as described in Exhibit B hereto. At or prior to completion of the Project, the Borrower shall fully disburse Cash Equity into the Escrow Account. Such disbursements shall be applied to pay or reimburse cost of the Project or, in the event that such disbursements exceed the remaining unpaid or unreimbursed Project costs, after making any payment due under the Borrower Loan at conversion from a construction to a permanent loan, such funds shall be paid to the City to reduce the amount of the City Funds

I. The undersigned parties acknowledge and agree that the Servicer has been retained by the Funding Lender to be the servicer for the Multi-Family Housing Financing and shall perform any and all obligations of the servicer under the Borrower Loan Agreement, including the review of draw requests for and the authorization of advances of the Multi-Family Housing Financing. Any direction or approval hereunder to be made or given by the Funding Lender shall be given by the Servicer on behalf of the Funding Lender.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed and delivered as of the date first written above.

CITY OF CHICAGO, ILLINOIS
By: Christine Raguso
Christine Raguso, Acting Commissioner
Department of Community Development

By: Edward B. Ellis
Name: Ed Ellis
Its: Deputy Commissioner,
Financial Control

HAIRPIN RETAIL, LLC
an Illinois limited liability company

By: Brinshore 2800 Corp.,
an Illinois corporation,
its Manager

By: _____
David Brint, President

BRINSHORE 2800 CORP.
an Illinois corporation

By: _____
David Brint, President

CITIBANK, N.A.
a national banking association

By: _____
Name: _____
Title: _____

GREATER ILLINOIS TITLE COMPANY,
an Illinois corporation, as Escrow Agent

By: _____
Name: _____
Title: _____


IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed and delivered as of the date first written above.

CITY OF CHICAGO, ILLINOIS
By: _____
Christine Raguso, Acting Commissioner
Department of Community Development

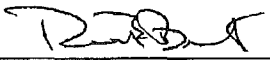
By: _____
Name: Ed Ellis
Its: Deputy Commissioner,
Financial Control

HAIRPIN RETAIL, LLC
an Illinois limited liability company

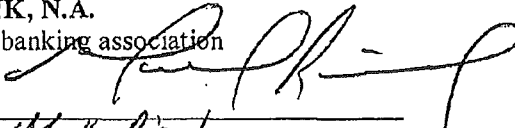
By: Brinshore 2800 Corp.,
an Illinois corporation,
its Manager

By: 
David Brint, President


BRINSHORE 2800 CORP.
an Illinois corporation

By: 
David Brint, President

CITIBANK, N.A.
a national banking association

By: 
Name: Mark Risch
Title: Vice President

GREATER ILLINOIS TITLE COMPANY,
an Illinois corporation, as Escrow Agent

By: 
Name: Tom Hines
Title: Commercial Escrow Officer

ACKNOWLEDGED AND ACCEPTED:

McSHANE CONSTRUCTION COMPANY LLC
a Delaware limited liability company

By: *Mark Fritschler*
Name: MARK FRITSCHLER
Title: EXEC VP

EXHIBIT A

A. PARTIES:

1. Hairpin Retail, LLC, an Illinois limited liability company, referred to herein as the "Borrower", having an address at 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062; Attention: David B. Brint
2. Brinshore 2800 Corp., an Illinois corporation, referred to herein as "Brinshore," having an address at 666 Dundee Road, Suite 1102, Northbrook, Illinois 60062; Attention: David B. Brint
3. Citibank, N.A., a national banking corporation, referred to herein as the "Funding Lender", having an address at 325 East Hillcrest Drive, Suite 160, Thousand Oaks, California 91360; Attention: Operations Manager Loan #7044
4. City of Chicago, Illinois, an Illinois municipal corporation referred to herein as "City", having an address at its Department of Community Development, 121 North LaSalle Street, Room 1006, Chicago, Illinois 60602, Attention: Commissioner
5. Greater Illinois Title Company, an Illinois corporation, referred to herein as the "Escrow Agent" and "Title Company", having an address at 120 North LaSalle Street, Suite 900, Chicago, Illinois 60602; Attention: Melinda Janczur

B. Title Company: Greater Illinois Title Company

EXHIBIT B

FUNDING OF THE PROJECT

I. Total amounts of the respective Equity and Loans:

Cash Equity	
-syndication proceeds	\$995,000
-proceeds of Managing Member Contribution	\$150,610
City Funds:	\$1,210,000*
Citibank Loan:	\$800,000

* The City Funds shall be disbursed to Brinshore pursuant to the Hairpin Retail Redevelopment Agreement and contributed by Brinshore to the Borrower.

II. Permitted Ratios: Not Applicable

III. Disbursements outside this Escrow Account:

- a. Equity disbursed by the Borrower prior to the date hereof, outside this Escrow Account and approved by the Funders as Equity contributions:

None

- b. Amounts disbursed on March 31, 2010, but not disbursed into this Escrow Account:

\$150,610

- c. Amounts to be disbursed after March 31, 2010, outside this Escrow Account:

None

EXHIBIT C

FUNDING OF THE ESCROW ACCOUNT

I. Total amount to be disbursed into the Escrow Account over the term of the Escrow Agreement:

Cash Equity	
-syndication proceeds	\$995,000
City Funds	\$1,210,000*
Citibank Loan	\$800,000
TOTAL:	\$3,005,000

* The City Funds shall be disbursed to Brinshore pursuant to the Hairpin Retail Redevelopment Agreement and contributed by Brinshore to the Borrower.

II. Amounts disbursed into the Escrow Account on March 31, 2010:

Cash Equity	
-syndication proceeds	\$995,000
TOTAL:	\$995,000

EXHIBIT D
SOURCES AND USES

See attached.

**EXHIBIT D:
COMMERCIAL**

THROUGH ESCROW	CitiCorp Loan	Dev Equity/ Interim Income	CRF Tax Credit Equity	Chicago TIF	TIF Eligible
Acquisition Costs					
Land Cost	1			1	
Hard Costs					
Rehab/Construction	1,599,231		565,992	1,033,239	1,599,231
Contractor General Conditions	110,462	110,462			
Contractor Overhead	32,258	32,258			
Contractor Profit	96,775	96,775			
Construction Contingency	161,292	161,292			
Performance Bond	43,549	43,549			
Interim Costs					
Construction Period Insurance	2,749	2,749			
Construction Interest	132,336	132,336			
Construction Period Taxes	10,000	10,000			
Construction Loan Origination	8,000	8,000			
Citibank Report Fees	13,350	13,350			
Professional Services					
Architect - Design	45,261	45,261			
Architect - Supervision	15,000	15,000			
Structural/Civil Engineer	5,713	5,713			
Landscape Design	789	789			
Historic Consultant	1,554	1,554			
Historic Engineer	16,253	16,253			
LEED Commissioning	11,012	11,012			
Accounting	5,000	5,000			
Market Study	8,391	8,391			
Environmental Report & Testing	1,474	1,474			
Marketing and Leasing	30,000	30,000			
Tenant Improvement Allowance	173,050	48,783	124,277		
Retail Signage	59,000		59,000		
Payless Construction	75,000		37,333	37,667	
Fees					
Title and Recording	10,597			10,597	
Utility Connections	6,000			6,000	
Survey	4,317			4,317	
Legal Fees	114,751			114,751	
Lender's Inspection Fee	14,500			14,500	
Escrows and Reserves					
Working Cap/Leasing Reserve	50,000			50,000	
Replacement Reserve	3,000			3,000	
Tenant Improvement Reserve	50,000			50,000	
Financing Costs					
Permanent Loan App Fee	5,000			5,000	
Permanent Loan Origination	16,000			16,000	
Tax Opinion Fee	20,000			20,000	
Other Fees	650			650	
Syndication Costs					
CRF Syndication Costs:	29,850			29,850	
Developer's Fee					
Developer's Fees	66,675			66,675	
Total through Escrow	3,048,849	800,000	220,610	995,000	1,033,239
	1,018,849	800,000	220,610	995,000	1,033,239
OUTSIDE ESCROW					
Developer Fee	176,761				
Deferred Dev. Fee	114,425				
Outside of Escrow	291,186				

FUNDS DISBURSEMENT

CONSTRUCTION PERIOD SOURCES	Amount of Funds	Adjustments	Adjusted Amount	Previously Paid	Current Draw	Balance Available
Developer Equity	\$150,610.00	0.00	150,610.00	\$0.00	150,610.00	\$0.00
CRF Tax Credit Equity	\$341,684.00	0.00	341,684.00	\$0.00	118,120.14	\$223,555.86
CRF NMTC Loan	\$653,316.00	0.00	653,316.00	\$0.00	0.00	\$653,316.00
CityCorp - Construction Loan	\$800,000.00	0.00	800,000.00	\$0.00	0.00	\$800,000.00
Interim Income	\$70,000.00	0.00	70,000.00	\$0.00	0.00	\$70,000.00
TIF For Arts Center	\$1,033,238.00	0.00	1,033,238.00	\$0.00	0.00	\$1,033,238.00
Total Sources Thru Construction	\$3,048,848.00	\$0.00	\$3,048,848.00	\$0.00	\$268,730.14	\$2,780,117.86

PERMANENT FINANCING	Amount of Funds	Adjustments	Adjusted Amount	Previously Paid	Current Draw	Balance Available
CityCorp - First Mortgage	\$800,000.00	0.00	800,000.00	\$0.00	0.00	\$800,000.00
Developer Equity	\$150,610.00	0.00	150,610.00	\$0.00	0.00	\$150,610.00
CRF Tax Credit Equity	\$341,684.00	0.00	341,684.00	\$0.00	0.00	\$341,684.00
CRF NMTC Loan	\$653,316.00	0.00	653,316.00	\$0.00	0.00	\$653,316.00
Interim Income	\$70,000.00	0.00	70,000.00	\$0.00	0.00	\$70,000.00
TIF For Arts Center	\$1,210,000.00	0.00	1,210,000.00	\$0.00	0.00	\$1,210,000.00
Deferred Developer Fee	\$114,425.00	0.00	114,425.00	\$0.00	0.00	\$114,425.00
Total Budget	\$3,340,035.00	\$0.00	\$3,340,035.00	\$0.00	\$0.00	\$2,540,035.00

EXHIBIT E

SPECIAL PROVISIONS

I. The City Funds will be deposited by the City into the TIF Subaccount of the Escrow Account according to the following schedule pursuant to the TIF Redevelopment Agreement:

<u>Installment</u>	<u>Date</u>	<u>Deposit Amount</u>
One	On or about May 1, 2010	\$171,900
Two	On or about October 1, 2010	\$300,000
Three	On or about December 1, 2010	\$561,339
Four	On or about March 1, 2011	\$176,761
Total		\$1,210,000

II. The City Funds will be disbursed to Brinshore according to the following schedule pursuant to the TIF Redevelopment Agreement:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	Upon the later of 25% completion or July 1, 2010	\$ 171,900
Two	Upon the later of 50% completion or December 1, 2010	\$300,000
Three	Upon the later of 75% completion or February 1, 2011	\$561,339
Four	Certificate of Completion pursuant to TIF Redevelopment Agreement	\$176,761
Total		\$1,210,000

EXHIBIT F

ADDRESSES OF PARTIES FOR NOTICE

IF TO THE CITY:

As set forth on Exhibit A hereto, with copies to:

Department of Finance
City of Chicago
33 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Comptroller

Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO THE BORROWER:

As set forth on Exhibit A hereto, with copies to:

CRF Projects LLC Series V-5
c/o Community Reinvestment Fund
850 West Jackson Boulevard, Suite 825
Chicago, Illinois 60607
Attention: Nicholas Shapiro

IF TO THE FUNDING LENDER:

As set forth on Exhibit A hereto, with copies to:

Citi Community Capital
Asset Management
325 E. Hillcrest Drive, #160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Management
Loan/Transaction/File #: 7044

and

Citi Community Capital
Middle Office
390 Greenwich, 2nd Floor
New York, New York 10013
Attention: Desk Head
Loan/Transaction/File #: 7044

and

Citigroup Inc.

Citi Community Capital
Municipal Securities Division
388 Greenwich Street
New York, New York 10013
Attention: General Counsel's Office
Loan/Transaction/File #: 7044

and

Citicorp Municipal Mortgage Inc.
Citi Community Capital
c/o 701 East 60th Street, N
Sioux Falls, South Dakota 57117
Attention: Loan Administrator
Loan/Transaction/File #: 7044

IF TO THE ESCROW AGENT: As set forth on Exhibit A hereto.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2010

BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the Fullerton/Milwaukee Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Fullerton/Milwaukee Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fullerton/Milwaukee Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Rahm Emanuel, Mayor
Members of the City Council

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Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures by statutory code on page 12, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the financial statements of Fullerton/Milwaukee Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.


Certified Public Accountants

June 27, 2011

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Fullerton/Milwaukee Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2010. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net assets and how they have changed. Net assets – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$7,406,324 for the year. This was an increase of 14 percent over the prior year. The change in net assets (including operating transfers in/out) produced a decrease in net assets of \$3,023,215. The Project's net assets decreased by 21 percent from the prior year making available \$9,663,615 (net of surplus distribution) of funding to be provided for purposes of future redevelopment in the Project's designated area.

Debt Administration

General Obligation Bonds (Modern Schools Across Chicago Program) outstanding at December 31, 2010 amounted to 32,645,000. More detailed information about the Project's long-term liabilities is presented in Note 2 of the financial statements.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 50,419,641	\$ 24,094,847	\$ 26,324,794	109%
Total liabilities	<u>38,756,026</u>	<u>9,408,017</u>	<u>29,348,009</u>	312%
Total net assets	<u>\$ 11,663,615</u>	<u>\$ 14,686,830</u>	<u>\$ (3,023,215)</u>	-21%
Total revenues	\$ 7,503,019	\$ 6,670,837	\$ 832,182	12%
Total expenses	<u>9,526,234</u>	<u>6,571,380</u>	<u>2,954,854</u>	45%
Operating transfers in (out)	<u>(1,000,000)</u>	<u>52,044</u>	<u>(1,052,044)</u>	-2,021%
Changes in net assets	<u>(3,023,215)</u>	<u>151,501</u>	<u>(3,174,716)</u>	-5%
Ending net assets	<u>\$ 11,663,615</u>	<u>\$ 14,686,830</u>	<u>\$ (3,023,215)</u>	-21%

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2010

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$42,920,174	\$ -	\$ 42,920,174
Property taxes receivable	7,399,000	-	7,399,000
Accrued interest receivable	100,467	-	100,467
Total assets	<u>\$50,419,641</u>	<u>\$ -</u>	<u>\$ 50,419,641</u>
<u>LIABILITIES</u>			
Vouchers payable	\$ 3,651,017	\$ -	\$ 3,651,017
Due to other City funds	124,035	-	124,035
Accrued interest payable	31,648	-	31,648
Deferred revenue	5,990,183	(5,990,183)	-
Bonds payable (Note 2):			
Due within one year	-	290,000	290,000
Due after one year	-	34,659,326	34,659,326
Total liabilities	<u>9,796,883</u>	<u>28,959,143</u>	<u>38,756,026</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund balance:			
Reserved for surplus distribution (Note 3)	2,000,000	(2,000,000)	-
Reserved for debt service	1,811,139	(1,811,139)	-
Designated for future redevelopment project costs	<u>36,811,619</u>	<u>(36,811,619)</u>	<u>-</u>
Total fund balance	<u>40,622,758</u>	<u>(40,622,758)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$50,419,641</u>		
Net assets:			
Restricted for surplus distribution (Note 3)		2,000,000	2,000,000
Restricted for economic development projects		83,237	83,237
Restricted for debt service		1,811,139	1,811,139
Restricted for future redevelopment project costs		<u>7,769,239</u>	<u>7,769,239</u>
Total net assets		<u>\$ 11,663,615</u>	<u>\$ 11,663,615</u>
Amounts reported for governmental activities in the statement of net assets are different because:			
Total fund balance - governmental funds			\$ 40,622,758
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.			5,990,183
Long-term liabilities applicable to the Project's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities are reported in the statement of net assets.			<u>(34,949,326)</u>
Total net assets - governmental activities			<u>\$ 11,663,615</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 7,079,794	\$ 326,530	\$ 7,406,324
Interest	18,305	-	18,305
Rental revenue	44,681	-	44,681
Sale of land	33,709	-	33,709
Total revenues	<u>7,176,489</u>	<u>326,530</u>	<u>7,503,019</u>
Expenditures/expenses:			
Economic development projects	9,011,896	-	9,011,896
Debt service:			
Principal retirement	200,000	(200,000)	-
Interest	687,752	(173,414)	514,338
Total expenditures/expenses	<u>9,899,648</u>	<u>(373,414)</u>	<u>9,526,234</u>
Excess of expenditures over revenues	<u>(2,723,159)</u>	<u>699,944</u>	<u>(2,023,215)</u>
Other financing sources (uses):			
Proceeds of debt (Note 2)	26,658,519	(26,658,519)	-
Operating transfers out (Note 4)	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Total other financing sources (uses)	<u>25,658,519</u>	<u>(26,658,519)</u>	<u>(1,000,000)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	22,935,360	(22,935,360)	-
Change in net assets	-	(3,023,215)	(3,023,215)
Fund balance/net assets:			
Beginning of year	<u>17,687,398</u>	<u>(3,000,568)</u>	<u>14,686,830</u>
End of year	<u>\$ 40,622,758</u>	<u>\$ (28,959,143)</u>	<u>\$ 11,663,615</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ 22,935,360
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	326,530
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.	200,000
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, issuing debt increases notes payable in the statement of net assets and does not affect the statement of activities.	(26,658,519)
Premium received on the issuance of long-term debt is not accrued in governmental funds, but rather is amortized over the life of the bonds.	<u>173,414</u>
Change in net assets - governmental activities	<u>\$ (3,023,215)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In February 2000, the City of Chicago (City) established the Fullerton/Milwaukee Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital projects, debt service and special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB unanimously approved Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* and at a later date, Statement No. 38 *Certain Financial Statements Disclosures*, and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Assets*

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Capital Assets

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. The semi-annual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2 – Bonds Payable

In January 2007, the City issued \$8,735,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2007E at a premium. The bonds have interest rates ranging from 3.60 to 5.00 percent and maturity dates ranging from December 1, 2008 to December 1, 2024. Net proceeds of \$8,735,000 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board of Education of the City of Chicago (the "Board") and refund certain outstanding obligations of the Board.

In August 2010, the City issued \$24,490,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2010A and B at a premium. Series B bonds (\$7,545,000) are Build America Bonds. The bonds have interest rates ranging from 3.00 percent to 5.364 percent and maturity dates ranging from December 1, 2011 to December 1, 2024. Net proceeds of \$26,442,557 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board (\$25,000,000) and to fund capitalized interest (\$1,442,557). The bonds fund Phase II of the Modern Schools Across Chicago Program.

Long-term liability activity for the year ended December 31, 2010 was as follows:

Beginning balance	\$ 8,355,000
Additions	24,490,000
Reductions	<u>(200,000)</u>
Subtotal	32,645,000
Plus unamortized premium	<u>2,304,326</u>
Ending balance	<u>\$34,949,326</u>
Amounts due within one year	<u>\$ 290,000</u>

The principal aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Series 2007</u>	<u>Series 2010A</u>	<u>Series 2010B</u>	<u>Total</u>
2011	\$ 290,000	\$ -	\$ -	\$ 290,000
2012	300,000	1,175,000	-	1,475,000
2013	310,000	1,210,000	-	1,520,000
2014	420,000	1,300,000	-	1,720,000
2015	440,000	1,450,000	-	1,890,000
2016-2020	2,935,000	7,165,000	2,105,000	12,205,000
2021-2024	<u>3,460,000</u>	<u>4,645,000</u>	<u>5,440,000</u>	<u>13,545,000</u>
Total	<u>\$8,155,000</u>	<u>\$16,945,000</u>	<u>\$7,545,000</u>	<u>\$32,645,000</u>

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Bonds Payable (Concluded)

The interest aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Series 2007</u>	<u>Series 2010A</u>	<u>Series 2010B</u>	<u>Total</u>
2011	\$ 379,775	\$ 776,400	\$ 364,964	\$ 1,521,139
2012	368,900	776,400	364,964	1,510,264
2013	357,650	741,150	364,964	1,463,764
2014	346,025	692,750	364,964	1,403,739
2015	330,275	632,300	364,964	1,327,539
2016-2020	1,316,475	2,031,550	1,692,105	5,040,130
2021-2024	<u>451,000</u>	<u>491,250</u>	<u>903,765</u>	<u>1,846,015</u>
Total	<u>\$3,550,100</u>	<u>\$6,141,800</u>	<u>\$4,420,690</u>	<u>\$14,112,590</u>

Note 3 – Surplus Distribution

In December 2010, the City declared a surplus within the fund balance of the Project in the amount of \$2,000,000. In June 2011, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 4 – Operating Transfers Out

During 2010, in accordance with State statutes, the Project transferred \$1,000,000 to the contiguous Avondale Redevelopment Project for the expenses related to the Small Business Improvement Fund Program.

Note 5 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2010 the Project has entered into contracts for approximately \$194,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
FULLERTON/MILWAUKEE REDEVELOPMENT PROJECT
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 132,506
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	521,875
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	3,480,347
Costs of the construction of public works or improvements	4,660,054
Costs of job training and retraining projects	24,418
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>1,080,448</u>
	<u>\$ 9,899,648</u>



BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of net assets and governmental funds balance sheet of Fullerton/Milwaukee Redevelopment Project of the City of Chicago, Illinois as of December 31, 2010, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated June 27, 2011.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Fullerton/Milwaukee Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.
Certified Public Accountants

June 27, 2011

INTERGOVERNMENTAL AGREEMENTS

A list of all intergovernmental agreements in effect in FY 2010 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
Avondale Irving Park	Improvements to school	4,290,000	

Fullerton/Milwaukee Redevelopment Project Area 2010 Annual Report

