

This agreement was prepared by and after recording return to:
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City of Chicago Law Department
121 North LaSalle Street, Room 600
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PARKSIDE IIA RENTAL PROJECT REDEVELOPMENT AGREEMENT

This Parkside IIA Rental Project Redevelopment Agreement (the "**Agreement**") is made as of this 30th day of June, 2010, by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Community Development ("**DCD**"), and Parkside Associates, LLC, an Illinois limited liability company ("**Parkside**"), Parkside Nine Phase II, LP, an Illinois limited partnership ("**Partnership**"), and Parkside Nine II, LLC, an Illinois limited liability company ("**General Partner**").

RECITALS:

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (2002 State Bar Edition), as amended from time-to-time (the "**Act**"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment under the provisions of the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on July 30, 1997: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Near North Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Near North Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Near North

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

D. The Project: Parkside previously entered into a Contract for Redevelopment of Cabrini-Green Extension North dated September 29, 2005 (as amended, the "**CHA Redevelopment Agreement**") with the Chicago Housing Authority ("**CHA**") and Daniel E. Levin and The Habitat Company LLC, not personally but in their official capacity as Receiver for CHA, for the construction by Parkside and other entities formed by Parkside of approximately 718 housing units, including replacement public housing, on sites located within the Near North Tax Increment Financing Redevelopment Project Area (the "**Redevelopment Area**"). The project contemplated by this Redevelopment Agreement is for the construction of approximately 112 of those units on a site located at 544 West Oak Street in the Redevelopment Area (the "**Property**"). CHA has leased the Property to Partnership pursuant to one or more 99-year ground leases. The Property is approximately one-half acre, and is located wholly within the Redevelopment Area. A prior phase of the redevelopment contemplated by the CHA Redevelopment Agreement is located on real property that is bounded by West Division Street on the north, Seward Park on the east, West Elm Street on the south and North Larrabee Street on the West (the "**Phase I Property**"). A legal description of the Property and the Phase I Property is stated in Exhibit B-1. The Property is currently undeveloped and subject to the zoning requirements stated in Residential-Business Planned District No. 1006 (including any approved amendment thereof, the "**PD**"). In accordance with this Agreement, the Developer Parties (as hereinafter defined) plan to construct 1 new 8-story multifamily rental building with 6 new townhomes attached. The building will collectively comprise approximately 112 residential units consisting of 39 rental units for public housing residents, 53 rental units for low-income families, 20 market rate rental units, one commercial space unit and 77 parking spaces. The new construction work is collectively defined as the "**Project**". A site plan for the Project (the "**Site Plan**") is Exhibit B-2. The completion of the Project would not reasonably be anticipated to occur without the financing contemplated in this Agreement.

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

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

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

AGREEMENT:

SECTION 1: RECITALS

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

SECTION TWO: DEFINITIONS

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

“Act” has the meaning defined in the recitals.

“Actual Residents of the City” has the meaning defined for such phrase in Section 10.02(c).

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

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

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

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

“Available Incremental Taxes” means an amount equal to 90% of the Incremental Taxes (as defined below) deposited after the Closing Date in the Redevelopment Project Area Special Tax Allocation Fund (as defined below) attributable to the taxes levied on the Property and the Phase I Property, using the year 2004 as a base year for equalized assessed valuation.

“Available Project Funds” has the meaning defined for such phrase in Section 5.16(g).

“Bonds” has the meaning defined in Section 8.05.

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

“Certificate” means the Certificate of Completion of Construction described in Section

7.01.

"Certificate of Expenditure(s)" means the certificate, in the form of Exhibit J hereto, issued by the City to increase the principal amount of the Note.

"CHA Units" shall mean the 39 residential units in the Project which shall be leased to CHA Residents by the Partnership.

"CHA Residents" shall mean tenants who qualify as being eligible to occupy "public housing" as defined in Section 3(b) of the United States Housing Act of 1937, as amended and as may hereafter be amended from time to time or any successor legislation, together with all regulations implementing the same.

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

"City" has the meaning defined in the Agreement preamble.

"City Contract" has the meaning defined in Section 8.01(o).

"City Council" means the City Council of the City of Chicago as defined in the recitals.

"City Funds" means the funds described in Section 4.03(a).

"City Group Member" has the meaning defined in Section 8.10.

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

"Closing Date" means the date of execution and delivery of this Agreement by all parties hereto.

"Construction Contract" means collectively those certain contracts substantially in the form of Exhibit E, to be entered into between Partnership and the General Contractor (as defined below) providing for construction of the TIF-Funded Improvements.

"Construction Program" has the meaning defined in Section 10.03.

"Corporation Counsel" means the City's Office of Corporation Counsel.

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

"DCD" has the meaning defined in the Agreement preamble.

"Developer Parties" means, collectively, Parkside, General Partner and Partnership; **"Developer Party"** means any one of the Developer Parties.

"Employer(s)" has the meaning defined in Section 10.01.

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental

Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code 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.

"Equity" means funds of Developer Parties (other than funds derived from Lender Financing (as defined below)) available for the Project, in the amount stated in Exhibit K attached hereto, which amount may be increased under Section 4.06 (Cost Overruns).

"Escrow Agreement" means that certain Escrow Agreement entered into on the date hereof by the City, Developer Parties, lenders providing Lender Financing and other parties, in substantially the form attached as Exhibit L.

"Event of Default" has the meaning defined in Section 15.01.

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

"Existing Mortgages" has the meaning defined in Section 16.01.

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

"General Contractor" means the general contractor(s) hired by Partnership under Section 6.01.

"Governmental Charge" has the meaning defined in Section 8.18(a).

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

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Human Rights Ordinance" has the meaning defined in Section 10.01(a).

"In Balance" has the meaning defined in Section 5.16(g).

"Incremental Taxes" means such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to, and when collected are paid to, the Treasurer of the City for deposit by the Treasurer into a special tax allocation

fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Redevelopment Project Area Special Tax Allocation Fund.

"Indemnitee" and **"Indemnitees"** have the respective meanings defined in Section 13.01.

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

"MBE(s)" has the meaning defined in Section 10.03.

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

"MBE/WBE Program" has the meaning defined in Section 10.03.

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

"New Mortgage" has the meaning defined in Section 16.01.

"NFRL" shall mean a No Further Remediation Letter issued pursuant to the SRP.

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

"Note" means the City of Chicago Tax Increment Allocation Revenue Note R-1 (Parkside IIA Rental Redevelopment Project) Series A to be in the form attached hereto as Exhibit J, in the maximum principal amount of \$8,216,100 issued by the City to the General Partner on or as of the date of the Certificate. The payment of the amounts due under the Note will be secured only by Available Incremental Taxes, unless the City, in its sole discretion, elects to use other legally available funds to make payments with respect to the Note.

"Note Interest Rate" has the meaning defined in Section 4.03.

"Partnership" has the meaning defined in the Agreement preamble.

"PD" has the meaning defined in the recitals.

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

"Permitted Mortgage" has the meaning defined in Section 16.01.

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

"Prior Expenditure(s)" has the meaning defined in Section 4.05.

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

"Project" has the meaning defined in the recitals.

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

"Property" has the meaning defined in the recitals.

"Qualified Investor" means a qualified institutional buyer (QIB) or a registered investment company, or a trust where certificates of participation are sold to QIBs or registered investment companies.

"Qualified Transfer" means, with respect to the Note, (i) the pledge of the Note to a Lender providing Lender Financing or (ii) the sale or assignment of the Note as long as (a) any sale or assignment is to a Qualified Investor with no view to resale or reassignment, or the City has given its prior written consent to such proposed sale or assignment, and (b) any sale or assignment is subject to the terms and procedures of an acceptable investment letter, and (c) any such sale or assignment occurs after the issuance of the Certificate.

"Recorded Affordability Documents" means, collectively: the City Regulatory Agreement; that certain Declaration of Restrictive Covenants by and among the CHA and Partnership dated as of the date hereof; and that certain Regulatory and Operating Agreement by and among the CHA and the Partnership dated as of the date hereof.

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

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

"Redevelopment Project Area Special Tax Allocation Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined below) will be deposited.

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

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

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

"SRP" means the State of Illinois Site Remediation Program, as codified at 415 ILCS 5/58, et seq., as amended from time to time.

"State" means the State of Illinois as defined in the recitals.

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

"Term of the Agreement" means the period of time commencing on the Closing Date and ending on July 30, 2020, such date being the date that is 23 years after the creation of the Redevelopment Area.

"TIF Adoption Ordinance" has the meaning stated in the recitals.

"TIF Bonds" has the meaning defined for such term in the recitals.

"TIF Bond Ordinance" has the meaning stated in the recitals.

"TIF Bond Proceeds" has the meaning stated in the recitals.

"TIF Ordinances" has the meaning stated in the recitals.

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

"Title Company" means Greater Illinois Title Company.

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

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

"WBE(s)" has the meaning defined in Section 10.03.

SECTION THREE: THE PROJECT

3.01 **The Project.** Partnership will: (i) begin redevelopment construction no later than ninety days after the Closing Date, and (ii) complete redevelopment construction no later than the third anniversary of the Closing Date, subject to the provisions of Section 18.16 (Force Majeure).

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

3.03 **Project Budget.** Partnership has furnished to DCD, and DCD has approved, a Project Budget which is Exhibit C-1, showing total costs for the Project in an amount not less than \$41,721,331. Partnership hereby certifies to the City that: (a) in addition to City Funds, the Lender Financing and/or Equity described in Exhibit K shall be sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Partnership will promptly deliver to DCD copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 Change Orders. Except as provided in subparagraph (b) below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by Partnership to DCD concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Partnership to DCD for DCD's prior written approval: (i) a reduction or increase by more than five percent (5%) in the square footage of the Project, or (ii) a change in the basic use of the Property and improvements, (iii) an increase or reduction in the Project budget by more than 10% or (iv) a delay in the Project completion date of more than 90 days, or (v) Change Orders costing more than \$150,000 each, or more than \$1,000,000 in the aggregate. DCD will respond to Partnership's request for written approval within 30 days from receipt of such request by granting or denying such request or by requesting additional information from Partnership. If DCD does not respond to Partnership's request, and if Partnership has complied with the requirements for notice stated in Section 17.02, then Partnership's request will be deemed to have been approved by DCD. Developer Parties will not authorize or permit the performance of any work relating to any Change Order requiring DCD's prior written approval or the furnishing of materials in connection therewith prior to the receipt by Partnership of DCD's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Partnership.

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

3.06 Other Approvals. Any DCD approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer Parties' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

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

3.08 Inspecting Agent or Architect. The independent agent or architect (other than Partnership's architect) selected by the lender providing Lender Financing will also act as the inspecting agent or architect for DCD for the Project, and any fees and expenses connected with its work or incurred by such independent agent or architect will be solely for Partnership's account and will be promptly paid by Partnership. The inspecting agent or architect will perform

periodic inspections with respect to the Project, providing written certifications with respect thereto to DCD, prior to requests for disbursements for costs related to the Project.

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

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

3.11 **Utility Connections.** Partnership may connect all on-site water, sanitary, storm and sewer lines constructed as a part of the Project to City utility lines existing on or near the perimeter of the Property, provided Partnership 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, Partnership is 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 **Accessibility for Disabled Persons.** Partnership acknowledges that it is in the public interest to design, construct and maintain the Project in a manner that promotes, enables, and maximizes universal access throughout the Project. Plans for all buildings on the Property and related improvements have been reviewed and approved by the Mayor's Office for People with Disabilities ("MOPD") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

SECTION FOUR: FINANCING

4.01 **Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$41,721,331 to be applied in the manner stated in the Project Budget and funded from the sources identified in Exhibit K.

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

4.03 **City Funds.**

(a) **Uses of City Funds.**

(i) Any principal or interest paid under the Note, and any other funds expended by the City under this Agreement or otherwise related to the Project or to the TIF-Funded Improvements, are defined as "City Funds".

(ii) City Funds may be used to pay for or reimburse Developer Parties only for costs incurred by Developer Parties of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit D states, by line item, the TIF-

Funded Improvements for the Project, payment for which shall be contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such costs and their respective eligibility as a Redevelopment Project Cost. Reimbursement of costs through City Funds will be in the form of payment of principal and interest under the Note.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "City Funds") to pay for or reimburse the Developer Parties for the costs of the TIF-Funded Improvements:

(i) Note. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the Note to the General Partner on the date of issuance of the Certificate. The principal amount of the Note shall not exceed the amount of TIF-Funded Improvements which have been incurred by the Developer Parties and are to be paid for or reimbursed by the City through payments of principal and interest on the Note, subject to the provisions hereof; provided, however, that payments under the Note are subject to the amount of Available Incremental Taxes deposited into the Redevelopment Project Area Special Tax Allocation Fund being sufficient for such payments, as well as the Prior TIF Obligations listed on Exhibit M attached hereto. The Note will be used to reimburse the Partnership for TIF-Funded Improvements incurred in the Project. From the date of issuance of the Certificate, the Note will be funded solely from Available Incremental Taxes. If, upon issuance of the Certificate, the principal amount of the Note exceeds the costs of TIF-Funded Improvements incurred in the Project, the principal amount of the Note, and any accrued interest, will be reduced accordingly.

(ii) The maximum total principal amount of City Funds will be \$8,216,100 of total Project costs.

(c) Issuance of the Note. On the date of the issuance of the Certificate, the City will issue to General Partner the Note with the following terms and conditions:

(i) Principal. The principal balance for the Note will be equal to the cost of TIF-Funded Improvements incurred by Developer Parties prior to the issuance date, up to a maximum amount of \$8,216,100. Such balance will be determined by the Certificate(s) of Expenditure issued by the City in the form of Exhibit J, upon Developer Parties providing satisfactory evidence of expenditures for TIF-Funded Improvements and compliance with the applicable requirements and terms and conditions of this Agreement. After issuance of the Note, if the principal balance of the Note is less than \$8,216,100, then the principal balance of the Note will be increased when the City issues additional Certificate(s) of Expenditure in the form of Exhibit J, up to a maximum amount of \$8,216,100.

(ii) Interest. When issued, the interest rate for the Note will be zero percent per annum, and will increase to not greater than the JPMorgan Chase Prime rate per annum commencing on the 4th anniversary of the date of the Certificate.

(iii) Term. The Note will be issued as of the date of issuance of the Certificate and will have a term that expires on July 30, 2020.

- (iv) Payments of Principal and Interest.
- (A) Interest, if any, on the Note will begin to accrue at the date of issuance. Amortization of principal will be over the term of the Note as provided in the debt service schedule attached to the Note.
 - (B) Payments of principal and interest on the Note shall commence upon the issuance of the Certificate in accordance with the debt service schedule attached to the Note.
 - (C) Except as may be otherwise provided in this Agreement, Available Incremental Taxes only will be used to pay the principal of and interest on the Note and on unpaid interest, if any. In the ordinance authorizing the issuance of the Note, the City established an account denominated the: "Parkside IIA Rental Project Account" within the Redevelopment Project Area Special Tax Allocation Fund. All Available Incremental Taxes will be deposited into the Parkside IIA Rental Project Account.
 - (D) Payments of principal and interest on the Note will be made from Available Incremental Taxes deposited into the Parkside IIA Rental Project Account first to interest due under the Note, next to scheduled principal payments on the Note.
 - (E) After the principal and interest on the Note have been paid in full and the Note is canceled according to its terms, then the Parkside IIA Rental Project Account will be closed and all subsequent Available Incremental Taxes will be deposited by the City in the Redevelopment Project Area Special Tax Allocation Fund.
- (v) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any scheduled payment on the Note, then: (a) the City will not be in default under this Agreement or the Note, and (b) due but unpaid scheduled payments (or portions thereof) on the Note will be paid as provided in this Section 4.03 as promptly as funds become available for their payment. Interest per annum at a rate not to exceed JPMorgan Chase Prime rate will accrue on any principal or interest payments which are unpaid because of insufficient Available Incremental Taxes.
- (vi) Sale or Transfer of the Note. After the issuance of the Note, the Note may be pledged in a Qualified Transfer of the Note. Notwithstanding any such permitted pledge, the City shall have no obligation to make any payments with respect to the Note except to the General Partner, and then subject to the conditions set forth in this Agreement, including but not limited to Section 18.14, and in the Note.
- (vii) No Cessation of Note Payments. Notwithstanding anything to the contrary contained in this Agreement, after a Qualified Transfer of the Note in compliance with Section 4.03(c)(vi) above, if an Event of Default occurs, the City will, notwithstanding such Event of Default, continue to make payments with respect to the Note.

- (viii) Costs of Issuance of the Note. Partnership will be responsible for paying all legal and issuance costs in relation to the Note, including all costs of bond counsel, if any.
- (ix) Other Incremental Taxes. Any Incremental Taxes that either (a) are not Available Incremental Taxes or (b) are not required to make payments under this Agreement (whether because all currently due payments have been made, because of the full repayment of the Note, or otherwise) shall belong to the City and may be pledged or used for such purposes as the City deems necessary or appropriate.

4.04 Sale or Transfer of the Property or Project by Developer Parties.

(a) Prior to the Date of Issuance of the Certificate. Subject to Sections 4.04(c) and 16.01 below, Partnership must obtain the prior approval of the City for any sale or transfer to an entity that is not a Developer Party of any part of the Property or the Project prior to the issuance of the Certificate. Such approval by the City will be subject to the reasonable discretion requirement stated in Section 18.19.

(b) After the Date of Issuance of the Certificate, But Prior to the Date when the Note is Paid. Subject to Section 4.04(c) below, after the date of the Certificate, but prior to the date when the Note is paid, Partnership need not obtain prior approval for any sale or transfer of any part of the Property or the Project. Partnership must, however, notify the City not less than 60 days before any closing of sale or Partnership's intention to sell any part of the Property or the Project. Partnership must provide the City with true and correct copies of any contract for sale and related documents as part of such notice.

(c) Sales of Assets or Equity. For purposes of this Section 4.04, the phrase: "sale or transfer of any part of the Property or Project" includes any sales or transfers which are a part of the sale or transfer of all or substantially all of Partnership's assets or equity. The foregoing restrictions of this Section 4.04 do not apply to: (i) transfers of the ground lease; (ii) transfers to any condominium association or community association; and (iii) any dedications or easements required by the subdivision, PD or applicable law.

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

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

4.07 TIF Bonds. The Commissioner of DCD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the

then current market conditions. The proceeds of TIF Bonds may be used to pay the outstanding principal and accrued interest (through the date of prepayment) under the Note and for other purposes as the City may determine. The costs of issuance of the TIF Bonds would be borne solely by the City. Partnership will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05.

SECTION FIVE: CONDITIONS PRECEDENT

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

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

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

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

5.04 **Financing.**

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

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

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

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

5.05 **Acquisition and Title.** On the Closing Date, Developer Parties will furnish the City with a copy of the Title Policy for the Property, showing Partnership as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exceptions listed as Permitted Liens on Exhibit G and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as

required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (i.e., Zoning 3.1 plans and specifications) with parking, contiguity, location, access, and survey.

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

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

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

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

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

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

5.10 **Evidence of Prior Expenditures.** Developer Parties will have provided evidence satisfactory to DCD of the Prior Expenditures as provided in Section 4.05.

5.11 **Financial Statements.** Developer Parties will have provided Financial Statements to DCD for their fiscal year 2009, and their most recently available unaudited interim Financial Statements.

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

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

5.14 **Entity Documents.** Parkside and General Partner will each provide a copy of its current Articles of Organization, with all amendments, 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 or organization and all other states in which Parkside or General Partner is qualified to do business; its current Operating Agreement; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such organizational documentation as the City may request. Partnership shall provide comparable organizational documentation.

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

5.16 **Preconditions of Accepting Certificates of Expenditure.** Prior to the acceptance by DCD of any Certificate of Expenditure under the Note, Developer Parties must submit to DCD documentation of such expenditures (in the form of waivers of lien, canceled checks, closing statements, or such other documentation as DCD may reasonably require), in form satisfactory to DCD. Delivery by Developer Parties to DCD of any Certificate of Expenditure hereunder will, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

(c) Developer Parties have approved all work and materials for the current certificate and, to the reasonable belief of Developer Parties, such work and materials conform to the Plans and Specifications;

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

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

(g) the Project is In Balance. The Project will be deemed to be in balance ("**In Balance**") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "**Available Project Funds**" as used herein means: (i) the undisbursed Lender Financing, if any; (ii) the undisbursed Equity; (iii) any undisbursed proceeds of any bonds issued to pay Project costs; (iv) any budgeted interest amounts on any of the foregoing funds held pending disbursement for payment of Project costs; and (v) any other amounts deposited by Partnership or General Partner under this Agreement. Partnership and General Partner agree that, if the particular phase of the Project is not In Balance, Partnership and General Partner

will, within 10 days after a written request by the City, deposit either with the lender providing any of the Lender Financing or with the construction escrow agent, cash in an amount that will place the particular phase of the Project In Balance, which deposit shall first be exhausted upon the request of such lender before any further acceptance of a Certificate of Expenditure shall be made.

The City will not execute any Certificate of Expenditure for the Note unless Developer Parties have satisfied the City that Developer Parties have complied, or are implementing a plan to comply, with the requirements of Sections 8.08, 10.02 and 10.03. The City will have the right, in its reasonable discretion, to require Partnership and General Partner 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 acceptance of a Certificate of Expenditure by the City will be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct. In addition, Developer Parties will have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements not inconsistent with this Agreement and stated in the TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, the Note, and this Agreement.

SECTION SIX: AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors.

(a) DCD acknowledges that Partnership has selected Linn-Mathes, Inc. or an Affiliate as the General Contractor for the Project. Partnership will cause the General Contractor to solicit bids for work on the Project solely from qualified subcontractors eligible to do business with the City of Chicago.

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

6.02 Construction Contract. Prior to the execution thereof, Partnership must deliver to DCD a copy of the proposed Construction Contract with the General Contractor selected to work on the Project, for DCD's prior written approval. Following execution of such contract by Partnership, the General Contractor and any other parties thereto, Partnership must 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 commencement of construction of any work in the public way, Partnership will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the bond form attached as Exhibit I. The City will be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. Partnership will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Section 10; provided, however, that the contracting, hiring and testing requirements associated with the MBE/WBE and the City resident obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each

subcontractor to satisfy or the failure of any one subcontractor to satisfy, such obligation shall not result in a default or a termination of this Agreement or require payment of the City resident hiring shortfall amounts so long as such Section 10 obligations are satisfied on an aggregate basis.

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

SECTION SEVEN: COMPLETION OF CONSTRUCTION

7.01 **Certificate of Completion of Construction.**

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

(b) Each Developer Party acknowledges and understands that the City will not issue a Certificate until (i) the City's Monitoring and Compliance unit has determined in writing that Partnership is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement, (ii) the Project, including all 112 residential units, the commercial space, the parking spaces and all related improvements, has been completed, (iii) at least 80% of the residential units have been leased, and (iv) Developer Parties have received a Certificate of Occupancy from the City or other evidence reasonably acceptable to DCD that the Developer Parties have complied with building permit requirements.

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

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

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.18 (Real Estate Provisions), and Section 8.19 (Affordability Requirements) as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement. The other executory terms of this Agreement

that remain after the issuance of the Certificate will be binding only upon each Developer Party or a permitted assignee of such Developer Party who, as provided in Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of such Developer Party's rights under this Agreement and assume such Developer Party's liabilities hereunder.

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

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

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

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

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

SECTION EIGHT: REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER PARTIES.

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

(a) Parkside is an Illinois limited liability company, duly organized, validly existing and in good standing (Parkside only);

(b) Parkside is the sole member of General Partner, and Parkside consists of two members with the following corresponding interests: Holsten Real Estate Development Corporation, an Illinois corporation (60%); and Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation (40%) (Parkside only).

(c) Parkside has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project (Parkside only);

(d) The execution, delivery and performance of this Agreement has been duly authorized by all necessary limited liability company action, and does not and will not violate Parkside's Articles of Organization as amended and supplemented, its Operating Agreement, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Parkside is now a party or by which

Parkside or any of its assets is now or may become bound (Parkside only);

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

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

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

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

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

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

(k) Partnership is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Partnership is a party or by which Partnership or any of its assets is bound which would materially adversely affect its ability to comply with its obligations under this Agreement (P/GP only);

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

(m) prior to the issuance of the Certificate, if it would materially adversely affect

Partnership's ability to perform its obligations under this Agreement, Partnership will not do any of the following without the prior written consent of DCD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business or in accordance with Section 4.04; (3) enter into any transaction outside the ordinary course of Partnership's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (except as required in connection with Lender Financing or tax credit equity investment for the Project); or (5) enter into any transaction that would cause a material and detrimental change to Partnership's financial condition; provided, however, this section shall not apply to any commercial leases entered into in the ordinary course of business, it being acknowledged that Partnership shall have the right to enter into commercial leases in the ordinary course of business for all or any portion of the Property on such terms as are determined by Partnership (P/GP only);

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

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

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

8.02 Covenant to Redevelop. Upon DCD's approval of the Scope Drawings and Plans and Specifications as provided in Section 3.02, and DCD's approval of the Project Budget as provided in Section 3.03, and Partnership's receipt of all required building permits and governmental approvals, Developer Parties will redevelop the Property in compliance with this Agreement, the TIF Ordinances, the PD, the CHA Redevelopment Agreement, the Scope Drawings, the Plans and Specifications, the Project Budget and all amendments thereto, and all Federal, State and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project and/or Partnership.

The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee of the Property, or a portion thereof, unless terminated in whole or in part by the City,

acting through DCD, pursuant to a written instrument executed pursuant to Section 7.02 and recorded against the Property, or any portion thereof.

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

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

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

8.06 **Employment Opportunity.**

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

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

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

8.08 **Prevailing Wage.** The Partnership and General Partner covenant and agree to

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

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

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

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

8.12 **Financial Statements.** Partnership will obtain and provide to DCD Financial Statements for Partnership's fiscal year ended 2009, and each yearly thereafter for the Term of the Agreement. In addition, if requested by DCD, Partnership will 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.** Solely at their own expense, Developer Parties will comply with all provisions of Section 12 hereof.

8.14 **Non-Governmental Charges.**

(a) **Payment of Non-Governmental Charges.** Except for the Permitted Liens, and subject to subsection (b) below, Developer Parties agree to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Project, or any fixtures that are or may become attached thereto and which are owned by a Developer Party, which create, may create, or appear to create a lien upon all or any portion of the Project; provided however, that if such Non-Governmental Charges may be paid in installments, Developer Parties may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer Parties will

furnish to DCD, within thirty (30) days of DCD's request, official receipts from the appropriate entity, or other evidence satisfactory to DCD, evidencing payment of the Non-Governmental Charges in question.

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

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

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

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

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

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

8.18 Real Estate Provisions.

(a) Governmental Charges.

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

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

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

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

(b) Developer Parties' Failure To Pay Or Discharge Lien. If Developer Parties fail to pay or contest any Governmental Charge or to obtain discharge of the same as required by this Section 8.18, Partnership will advise DCD thereof in writing, at which time DCD may, but will not be obligated to, and without waiving or releasing any obligation or liability of Developer Parties 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, will be promptly disbursed to DCD by Developer Parties. Notwithstanding anything contained herein to the contrary, this paragraph must not be construed to obligate the City to pay any such Governmental Charge. Additionally, if Developer Parties fail to pay any Governmental Charge, the City, in its sole discretion, may require Developer Parties to submit to the City audited

Financial Statements at Developer Parties' own expense.

8.19 Affordability Requirements.

(a) Affordable Units. Of the 112 units comprising the Project, 34 units (or 30% of the Project's units) shall be CHA Units affordable to households with incomes not greater than 60% AMI; 5 units (or 4% of the Project's units) shall be CHA Units affordable to households with incomes not greater than 80% AMI; 53 (or 47% of the Project's units) shall be affordable to households with AMI not greater than 60%; and 20 units shall not have any affordability restrictions.

(b) CHA Units. The Developer Parties agree and covenant to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain Regulatory Agreement executed by the Partnership and DCD as of the date hereof shall govern the terms of the Developer Parties' 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:

- (i) The CHA Units shall be operated and maintained solely as residential rental housing;
 - (ii) 34 of the 39 CHA Units shall be available for occupancy to and be occupied solely by Low Income Families (as defined below) upon initial occupancy; and
 - (iii) 34 of the 39 CHA Units have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined 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, and for the remaining 5 of the 39 CHA Units, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.
- (iv) As used in this Section 8.19, the following terms have the following meanings:
- (A) "Family" shall mean one or more individuals, whether or not related by blood or marriage; and
 - (B) "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.

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

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

8.20 Job Readiness Program. If requested by the City, Partnership will use its best efforts to encourage its tenants at the Project to participate in job readiness programs

established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

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

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

8.23 **Environmental Features.** The design of the Project incorporates the following environmentally-friendly elements for which Partnership shall be responsible: permeable pavers covering at least 50% of the parking spaces; high efficiency heating and hot water; high insulation values in the windows and walls using 25% or more recycled-content insulation; insulated heaters; and a gearless elevator.

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

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

SECTION NINE: REPRESENTATIONS, WARRANTIES AND COVENANTS OF CITY

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

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

SECTION TEN: DEVELOPER PARTIES' EMPLOYMENT OBLIGATIONS

10.01 **Employment Opportunity.** Partnership, 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 Partnership operating on the Project (collectively, with Partnership, such parties are defined herein as the "**Employers,**" and individually defined herein as an "**Employer**") to agree, that for the Term of this Agreement with respect to Partnership and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

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

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

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

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

(e) Each Employer will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project (other than for remediation and demolition entered into prior to the date of this Agreement), and will require inclusion of these provisions in every subcontract entered into by any subcontractors and every agreement with any Affiliate operating on the Property, so that each such provision will be binding upon each contractor, subcontractor or Affiliate, as the case may be.

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

10.02 City Resident Construction Worker Employment Requirement.

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

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

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

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

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

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

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

(h) Good faith efforts on the part of Partnership, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting

of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) will not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

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

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

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

10.03 Developer Parties' MBE/WBE Commitment. The Partnership 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 aggregate hard construction costs (as set forth in the Project Budget) shall be expended for contract participation by minority-owned businesses ("**MBEs**") and by women-owned businesses ("**WBEs**"):

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

(b) For purposes of this Section 10.03 only:

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

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Partnership's MBE/WBE commitment may be achieved in part by Partnership's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Partnership) 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 Partnership 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 Partnership's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, Partnership shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DCD.

(d) The Partnership shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Partnership 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 Partnership's compliance with this MBE/WBE commitment. The Partnership 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 Partnership, on five Business Days' notice, to allow the City to review Partnership'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, Partnership shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this

subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

SECTION ELEVEN: ENVIRONMENTAL MATTERS

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

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

This Section shall not be construed to require Partnership to assume any of the obligations of the CHA with respect to remediation work required to be performed by the CHA, and Partnership may exercise such rights and remedies it may have to enforce the CHA's performance of the work, provided, however, that this sentence shall not be construed to limit

Partnership's indemnification obligations hereunder.

SECTION TWELVE: INSURANCE

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

(a) Prior to execution and delivery of this Agreement

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION THIRTEEN: INDEMNIFICATION

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

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

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

SECTION FOURTEEN: MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION FIFTEEN: DEFAULT AND REMEDIES

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

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against a Developer Party or for the liquidation or reorganization of a Developer Party, or alleging that a Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of a Developer Party's debts, whether under the United States Bankruptcy Code or under any other state or Federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving a Developer

Party; provided, however, that if such commencement of proceedings is involuntary, such action will not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against a Developer Party for an amount in excess of \$1.0 million which remains unsatisfied or undischarged and in effect for 60 days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Parkside or Partnership or General Partner; or

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

For purposes of Section 15.01(j) hereof, a natural person with a material interest in a Developer Party is one owning in excess of thirty-three percent (33%) of such party's (or such party's ultimate parent entity's) issued and outstanding ownership shares or interest. Notwithstanding anything to the contrary contained herein, City hereby agrees that any cure of any default made or tendered by one or more of Partnership's limited partners shall be deemed to be a cure by the Partnership and/or Developer Parties and shall be accepted or rejected on the same basis as if made or tendered by Partnership and/or Developer Parties.

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

15.03 Curative Period.

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

(b) In the event a Developer Party fails to perform a non-monetary covenant which it is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless the applicable party (or the non-defaulting Developer Party) has failed to cure such default within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such 30 day period, the applicable party will not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such 30 day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

SECTION SIXTEEN: MORTGAGING OF THE PROJECT

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

(a) If a mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under a mortgage or deed of trust (other than an Existing Mortgage or a Permitted Mortgage) whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of such Developer Party's interest hereunder in accordance with Section 18.14 hereof, the City may, but will not be obligated to, attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party will be entitled to no rights or benefits under this Agreement, but such party will be bound by those provisions of this Agreement that are covenants expressly running with the land specified in Section 7.02.

(b) If any mortgagee or any other party shall succeed to a Developer Party's interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of a Developer Party's interest hereunder in accordance with Section 18.14 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to such Developer Party for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of a "Developer Party" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of a Developer Party's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of such Developer Party which occurred prior to the time such party succeeded to the interest of such Developer Party under this Agreement, in which case such Developer Party will

be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of such Developer Party's interest hereunder, such party will be entitled to no rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land specified in Section 7.02.

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

SECTION SEVENTEEN: NOTICES

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

If to the City:	City of Chicago Department of Community Development Attn: Commissioner 121 North LaSalle Street, Room 1000 Chicago, IL 60602 312/744-2271 (Fax)
With Copies To:	City of Chicago Corporation Counsel Attn: Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602 312/744-8538 (Fax)
If to a Developer Party:	Parkside Nine II, LLC 1333 North Kingsbury, Suite 305 Chicago, Illinois 60642 Attn: Peter Holsten Fax: 312/337-4592
With copy to:	Applegate & Thorne-Thomsen 322 S. Green Street, Suite 400 Chicago, Illinois 60607 Attention: Tom Thorne-Thomsen, Esq. Fax: 312/421-6162
And to:	Holsten Real Estate Development Corporation 1333 N. Kingsbury, Suite 305 Chicago, IL 60622 Attn: Peter Holsten
And to:	Edwin F. Mandel Legal Aid Clinic 6020 S. University Avenue

Chicago, IL 60637
Attn: Jeff Leslie, Esq.

And to: Cabrini Green LAC Community Development Corporation
984 North Hudson
Chicago, IL 60610
Attn: President

And to: Alliant Asset Management Company
21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367
Attn: Brian Goldberg

And to: Bocarsly, Emden, Cowan, Esmail, Parker & Arndt LLP
633 West Fifth Street,
70th Floor
Los Angeles, CA 90071
Attn: Lance S. Bocarsly, Esq.

If to Existing Mortgagee: JPMorgan Chase Bank, N.A.
Community Development Real Estate
Chase Tower
10 South Dearborn Street
Mail Code IL 1-0953
Chicago, IL 60603
Attn: John D. Bernhard

With copy to: Dykema Gossett PLLC
10 South Wacker Drive, Suite 2300
Chicago, IL 60606
Attn: Derek L. Cottier, Esq.

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

With copy to: Chicago Housing Authority
Office of the General Counsel
60 East Van Buren, 12th Floor
Chicago, Illinois 60605
Attn: General Counsel

And to: The Habitat Company LLC
350 West Hubbard St.
Chicago, IL 60654
Attn: President and Chief Executive Officer

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

herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

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

(a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);

(b) expressly state the particular document and section thereof relied on by Developer Parties to request City or DCD approval;

(c) if applicable, note in bold type that failure to respond to such Developer Party's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or DCD;

(d) if applicable, state the outside date for the City's or DCD's response; and

(e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of such Developer Party's request.

SECTION EIGHTEEN: ADDITIONAL PROVISIONS

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

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

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

from the City or on any obligation under the terms of this Agreement.

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

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

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

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

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

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

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

18.11 **Conflict.** In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances in effect as of the date of this Agreement, such

ordinance(s) will prevail and control.

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

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

18.14 **Assignment.** Prior to the issuance by the City to Developer Parties of the Certificate, Developer Parties may not sell, assign or otherwise transfer its interest in this Agreement or the Note in whole or in part without the written consent of the City; provided, however, that the Developer Parties may collaterally assign their respective interests in this Agreement to any of their collective or respective lenders identified to the City as of the Closing Date if any such lenders require such collateral assignment. Any successor in interest to Developer Parties under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Each Developer Party hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.16 **Force Majeure.** Neither the City nor Developer Parties nor any successor in interest to either of them will be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, war, terrorism, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. Such force majeure events shall also include the City's failure to complete the public improvements within the Property which, at the Closing Date, the City has agreed to undertake within a construction schedule mutually acceptable to the City and the Partnership, and the CHA's failure to complete any environmental remediation work that is the CHA's responsibility under applicable agreements between the CHA and the Parkside, if applicable. The individual or entity relying on this section with respect to any such delay will, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

18.18 **Business Economic Support Act.** Under the Business Economic Support Act (30 ILCS 760/1 et seq. 2002 State Bar Edition, as amended), if Partnership is required to provide notice under the WARN Act, Partnership will, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where

Partnership has locations in the State. Failure by Partnership to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.19 **Approval.** Wherever this Agreement provides for the approval or consent of the City, 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.

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

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

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

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

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

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

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

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

CITY OF CHICAGO

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

PARKSIDE NINE PHASE II, LP, an Illinois limited partnership

By: PARKSIDE NINE II, LLC,
an Illinois limited liability company
Its general partner

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

By: Holsten Real Estate Development Corporation, an Illinois corporation,
a member

By: _____
Name: Peter M. Holsten
Title: President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit
corporation, a member

By: _____
Name: _____
Title: President

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

CITY OF CHICAGO

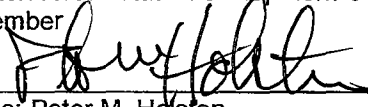
By: _____
Christine Raguso, Acting Commissioner,
Department of Community Development

PARKSIDE NINE PHASE II, LP, an Illinois limited partnership

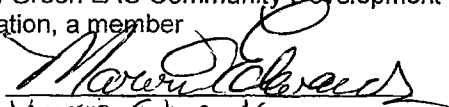
By: PARKSIDE NINE II, LLC,
an Illinois limited liability company
Its general partner

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

By: Holsten Real Estate Development Corporation, an Illinois corporation,
a member

By: 
Name: Peter M. Holsten
Title: President


By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit
corporation, a member

By: 
Name: Marvin Edwards
Title: President

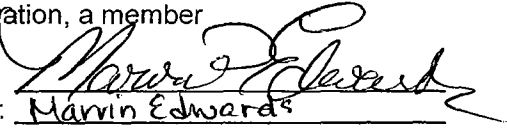
PARKSIDE NINE II, LLC, an Illinois limited liability company

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

By: Holsten Real Estate Development Corporation, an Illinois corporation,
a member

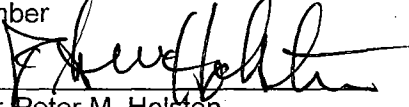
By: 
Name: Peter M. Holsten
Title: President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit
corporation, a member

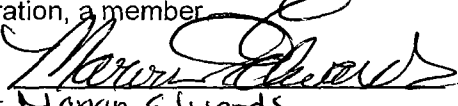
By: 
Name: Marvin Edwards
Title: President

PARKSIDE ASSOCIATES, LLC, an Illinois limited liability company,

By: Holsten Real Estate Development Corporation, an Illinois corporation,
a member

By: 
Name: Peter M. Holsten
Title: President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit
corporation, a member

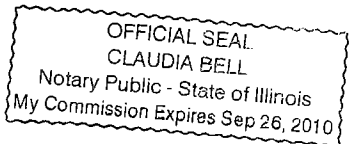
By: 
Name: Marvin Edwards
Title: President

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Peter M. Holsten, personally known to me to be the president of Holsten Real Estate Development Corporation, an Illinois corporation, a member of Parkside Associates, LLC, an Illinois limited liability company ("Parkside"), the sole member of Parkside Nine II, LLC, an Illinois limited liability company (the "General Partner"), the general partner of Parkside Nine Phase II, LP, an Illinois limited partnership (the "Partnership"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of Parkside, on behalf of the General Partner, as the free and voluntary act of such person, and as the free and voluntary act and deed of the General Partner and the Partnership, for the uses and purposes therein set forth.

Given under my hand and official seal this 28th day of June, 2010.

(SEAL)



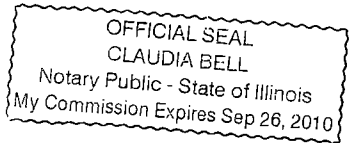
Claudia Bell
Notary Public

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Harvin Edwards, personally known to me to be the President of Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member of Parkside Associates, LLC, an Illinois limited liability company ("Parkside"), the sole member of Parkside Nine II, LLC, an Illinois limited liability company (the "General Partner"), the general partner of Parkside Nine Phase II, LP, an Illinois limited partnership (the "Partnership"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by the members of Parkside, on behalf of the General Partner, as the free and voluntary act of such person, and as the free and voluntary act and deed of the General Partner and the Partnership, for the uses and purposes therein set forth.

Given under my hand and official seal this 28th day of June, 2010.

(SEAL)



Claudia Bell
Notary Public

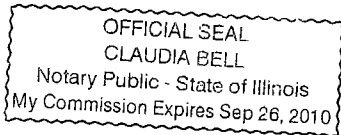
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Peter M. Holsten, personally known to me to be the president of Holsten Real Estate Development Corporation, an Illinois corporation, a member of Parkside Associates, LLC, an Illinois limited liability company ("Parkside"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, he signed and delivered the said instrument, pursuant to authority given by the members of Parkside, as the free and voluntary act of such person, and as the free and voluntary act and deed of Parkside, for the uses and purposes therein set forth.

Given under my hand and official seal this 28th day of June, 2010.

Claudia Bell
Notary Public

(SEAL)



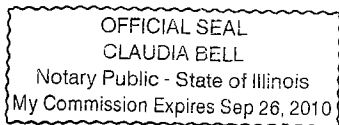
STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Marvin Edwards, personally known to me to be the President of Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member of Parkside Associates, LLC, an Illinois limited liability company ("Parkside"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, s/he signed and delivered the said instrument, pursuant to authority given by the members of Parkside, as the free and voluntary act of such person, and as the free and voluntary act and deed of Parkside, for the uses and purposes therein set forth.

Given under my hand and official seal this 28th day of June, 2010.

Claudia Bell
Notary Public

(SEAL)



**PARKSIDE IIA RENTAL PROJECT
REDEVELOPMENT AGREEMENT**

LIST OF EXHIBITS

Exhibit A	*Legal Description of the Redevelopment Area
Exhibit B-1	*Legal Description of the Property
Exhibit B-2	Site Plan for the Project
Exhibit C-1	*Project Budget
Exhibit C-2	*Construction (MBE/WBE) Budget
Exhibit D	*TIF-Funded Improvements
Exhibit E	Construction Contract
Exhibit F	Approved Prior Expenditures
Exhibit G	Permitted Liens
Exhibit H	Opinion of Counsel for Developer Parties
Exhibit I	Form of Payment and Performance Bond
Exhibit J	Form of the Note and related Certificate of Expenditure
Exhibit K	Lender Financing
Exhibit L	Escrow Agreement
Exhibit M	Prior TIF Obligations

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

EXHIBIT A
Legal Description of the Redevelopment Area

See attached.

Exhibit "A".

Legal Description.

Near North Redevelopment Project Area.

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

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

thence east along said north line, crossing the east half of vacated North Burling Street, to an intersection with an east line of said right-of-way; thence south along said east line to an intersection with a north line of said right-of-way; thence east along said north line, passing into vacated North Orchard Street, to an intersection with the centerline of said vacated street; thence north along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Orchard Street, to an intersection with the centerline of a vacated alley; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of said vacated alley to an intersection with the centerline of vacated North Frontier Avenue; thence south along said centerline to an intersection with a north line of said right-of-way; thence east along said north line, crossing the east half of vacated North Frontier Avenue and crossing North Ogden Avenue, to an intersection with the west line of North Larrabee Street; thence continuing east along said north line extended to an intersection with the east line of North Larrabee Street; thence north along said east line, crossing a public alley to an intersection with the south line of West North Avenue; thence east along said south line, crossing North Mohawk Street, North Cleveland Avenue, North Hudson Avenue, North Sedgwick Street, and North Orleans Street to an intersection with the east line of North Orleans Street; thence south along said east line to the northwest corner of Lot 90 in W. B. Ogden's Subdivision of the west half of Lots 120 and 125, all of Lots 123, 124, and Lot 127 to Lot 134, inclusive, and Lot 137 of Bronson's Addition to Chicago, in aforesaid Section 4; thence east along the north line of said Lot 90 to the northeast corner thereof; thence south along the east line of Lots 90 through 51, inclusive, in aforesaid W. B. Ogden's Subdivision and along the east line of Lots 1 to 4, inclusive, in Dixon's Subdivision of the east half of Lot 135 of aforesaid Bronson's Addition to Chicago, and the east line of Lots 8 to 5, inclusive, in the subdivision of Lot 136 in said Bronson's Addition, and the east line and east line extended south of Lots 25 to 17, inclusive, of W. B. Ogden's Subdivision of Lots 138, 139 and resubdivision of Lots 142 to 151 of aforesaid Bronson's Addition, to an intersection with the centerline of a public alley; thence west along said centerline to an intersection with the northward extension of the centerline of a public alley lying between said W. B. Ogden's Subdivision, the resubdivision of Lots 12 to 16 and 50 to 54 in the subdivision of Lots 138 and 139 and resubdivision of Lots 142 to 151, of aforesaid Bronson's Addition; thence south along said northward projection, said centerline and the southward extension thereof, crossing West Schiller Street to an intersection with the south line of said street; thence east along said south line to the northeast corner of Lot 25 in the subdivision of Lots 142 to 151, 154 to 156, 163 to 165, 168 to 173, 176 and 178 to 183, of aforementioned Bronson's Addition; thence south along the east line of Lot 25 and along the east

line of Lot 18 and the southward extension thereof in aforementioned subdivision, crossing a public alley, to an intersection with the north line of West Evergreen Avenue; thence east along said north line, crossing North Park Avenue and a vacated alley, to an intersection with the west line of North Wells Street thence south along said west line extended south and said west line, crossing West Evergreen Avenue, West Goethe Street and West Scott Street to an intersection with the north line of West Division Street; thence west along said north line to an intersection with an east line of the aforesaid right-of-way; thence south, crossing West Division Street to the intersection of said east line of right-of-way with the south line of West Division Street; thence south along said east line, being also the east line of Lot 29 in the subdivision of Block 3 of Johnston, Roberts and Storr's Addition to Chicago, to the southeast corner of said lot; thence west along the south line of Lots 29 through 26, inclusive, in said subdivision, to an intersection with the east line of North Orleans Street; thence south along said east line, crossing vacated West Elm Street, to the southwest corner of Lot 2 in the County Clerk's Division of Block 6 of Johnston, Roberts and Storr's Addition to Chicago; thence east along the south lines of Lot 2 and Lot 3 in said division to an intersection with a westerly line of the aforementioned right-of-way, said westerly line being a curved line convex to the east; thence southeasterly along said westerly line to an intersection with the north line of West Hill Street; thence east along said north line, crossing vacated North Franklin Street and vacated alleys to an intersection with the west line of North Wells Street; thence south along said west line extended south and along said west line, crossing West Hill Street, vacated West Wendell Street and West Oak Street, to an intersection with the south line of West Oak Street; thence west along said south line crossing vacated alleys and vacated North Franklin Street to the northeast corner of Lot 1 in the Assessor's Division of Lots 5 to 8 in the subdivision of Block 19 of Johnston, Roberts and Storr's Addition; thence south along the east line of Lots 1 and 10 in said division, and the southward extension of said east line to an intersection with the centerline of West Walton Street; thence west along said centerline to an intersection with the northward extension of the east line of the aforementioned right-of-way; thence south along said east line and said east line extended south, crossing West Walton Street, a public alley and West Locust Street, to an intersection with the south line of West Locust Street; thence west along said south line crossing public alleys and North Orleans Street, to an intersection with the east line of North Sedgwick Street; thence south along said east line to an intersection with the north line of West Chicago Avenue; thence west along said north line extended west and along said north line, crossing North Sedgwick Street, North Hudson Avenue, North Cleveland Avenue, North Cambridge Avenue and North Larrabee Street to an intersection with the west line of said North Larrabee Street; thence north along said west line to an intersection with the southwesterly line of North Kingsbury Street; thence northwesterly along said

southwesterly line, crossing vacated North Branch Street, to the southeast corner of Lot 10 in Block 96 of Elston's Addition to Chicago; thence southwesterly along the southeasterly line of said Lot 10 to the southwest corner thereof; thence northwesterly along the southwesterly line of Block 96, to the northwest corner of Lot 1 in said block; thence northwesterly, crossing vacated West Haines Street, to the southwest corner of Lot 7 in Block 85 of Elston's Addition, aforesaid; thence northwesterly along the southwesterly line of said Block 85 to a westerly corner of Lot 5 in said block; thence northwesterly, crossing North Halsted Street and entering Section 5, aforesaid, to the southeast corner of Block 73 in Elston's Addition; thence northwesterly along the southwesterly line of said Block 73 to an intersection with the south line of West Division Street; thence northeasterly to the southwest corner of Lot 15, Block 71, in Chicago Land Company's Resubdivision of certain blocks in Elston's Addition; thence northerly, northwesterly and westerly along the southwesterly lines of Block 71 of Elston's Addition, aforesaid, to the northwest corner of Lot 1 in said Chicago Land Company's Resubdivision; thence northwesterly crossing West Evergreen Avenue, to the southwest corner of Lot 7, Block 62, in said Chicago Land Company's Resubdivision; thence northeasterly along the northwesterly line of said West Evergreen Avenue, crossing North Kingsbury Street, to an intersection with the west line of North Dayton Street; thence easterly to the intersection of the east line of North Dayton Street with the north line of West Evergreen Avenue; thence east along said north line and said north line extended east, crossing a public alley and North Halsted Street, and passing into Section 4 aforesaid, to an intersection with the southward extension of the east line of North Halsted Street; thence north along said east line, crossing vacated West Evergreen Avenue, vacated West Fair Place, vacated West Blackhawk Street, North Clybourn Avenue and vacated alleys, to the point of beginning, excepting from said tract that part of Section 4 bounded and described as follows:

beginning at the intersection of the east line of North Hudson Avenue with the south line of West Blackhawk Street; thence east along said south line crossing a vacated alley to an intersection with the west line of North Sedgwick Street; thence south along said west line crossing vacated West Schiller Street, West Evergreen Avenue, vacated and public alleys and West Goethe Street, to an intersection with the south line of West Goethe Street; thence west along said south line and along the south line of vacated West Goethe Street, crossing North Hudson Avenue to an intersection with the west line of North Hudson Avenue; thence south along said west line to an intersection with the north line of a 12 foot public alley; thence west along said north line to an intersection with the northwesterly line of the 12 foot public alley lying southeasterly and adjacent to Lots 1 to 6, inclusive, in the subdivision of Lots 18 and 19 in Butterfield's Addition in aforesaid Section 4; thence southwesterly along said

northeastward projection, and said northwesterly line and the southwestward projection thereof, to an intersection with the southeastward projection of the southwesterly line of said Lot 6 in said subdivision; thence northwesterly along said southeastward projection, and said southwesterly line and the northwestward projection thereof, crossing vacated West Goethe Street, to an intersection with the northwesterly line of vacated West Goethe Street (being also the southeasterly line of Lot 24, in the subdivision of Sublots 17 to 27, of Hein's Subdivision of Lots 7 and 20 in Butterfield's Addition to Chicago); thence southwesterly along said southeasterly line to the southwest corner of said Lot 24; thence northwesterly along the southwesterly line of said Lot 24 to an intersection with the east line of North Cleveland Avenue; thence north along said east line, crossing public and vacated alleys to an intersection with the south line of West Evergreen Avenue; thence east along said south line to an intersection with the southward projection of the east line of North Hudson Avenue; thence north along said southward projection and along said east line crossing West Evergreen Avenue and vacated West Schiller Street, to the point of beginning, all in the City of Chicago, Cook County, Illinois.

Exhibit "B".

Street Boundary Description Of The Area.

Near North Redevelopment Project Area.

The street boundary description for the Near North Area is an area generally bounded by West Evergreen Avenue, West North Avenue and the C.T.A. right-of-way on the north; North Orleans Street, the C.T.A. right-of-way, North Wells Street and North Sedgwick Street on the east; West Oak Street, West Locust Street and West Chicago Avenue on the south; and North Larrabee Street, North Kingsbury Street, the east seawall of the North Branch Canal of the Chicago River and North Halsted Street on the west. Excluded from these boundaries is an irregularly shaped area generally bounded by West Evergreen Avenue and West Blackhawk Street on the north; North Sedgwick Street and North Hudson Avenue on the east; West Goethe Street and an alley north of North Clybourn Avenue on the south; and North Cleveland Avenue and North Hudson Avenue on the west.

EXHIBIT B-1
Legal Description of the Property

Phase IIA Property Legal Description

PARTS OF LOTS 1 TO 6, INCLUSIVE, PART OF LOT 18, ALL OF LOTS 19 TO 21, INCLUSIVE, PARTS OF LOTS 22 TO 26, INCLUSIVE, TOGETHER WITH PART OF THE VACATED 16 FOOT ALLEY PER DOCUMENT NO. 16414445 IN BLOCK 16 IN ROGERS' SUBDIVISION OF THAT PART LYING WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF SAID BLOCK 16 AFORESAID, 57.20 FEET NORTH, AS MEASURED ALONG SAID WEST LINE, FROM THE SOUTHWEST CORNER OF SAID BLOCK 16; THENCE NORTH 0 DEGREES 32 MINUTES 13 SECONDS WEST, ALONG THE WEST LINE OF SAID BLOCK 16 AND THE WEST LINE OF SAID LOTS 18 TO 26, A DISTANCE OF 156.27 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 105.28 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 100.21 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 7.60 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 28.96 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 33.20 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 6.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 31.70 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 27.46 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 11.61 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 67.46 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 27.42 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 30.36 FEET TO A LINE DRAWN 4.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID BLOCK 16; THENCE SOUTH 0 DEGREES 31 MINUTES 23 SECONDS EAST, ALONG SAID PARALLEL LINE, 133.06 FEET TO THE SOUTH LINE OF SAID BLOCK 16; THENCE SOUTH 89 DEGREES 52 MINUTES 27 SECONDS WEST, ALONG SAID SOUTH LINE, 155.60 FEET TO A POINT 56.53 FEET EAST, AS MEASURED ALONG SAID SOUTH LINE, FROM THE SOUTHWEST CORNER OF BLOCK 16 AFORESAID; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 80.71 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

Common Address: 544 W. Oak Street, Chicago, IL
PIN: 17-04-318-031

EXHIBIT B-1 (Continued)
Legal Description of the Property

Phase I Property Legal Description

THE MID-RISE REAL ESTATE

LEASEHOLD ESTATE CREATED BY GROUND LEASE DATED AS OF SEPTEMBER 1, 2006 BETWEEN CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, LANDLORD, AND PARKSIDE OLD TOWN I, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, TENANT, RECORDED OCTOBER 13, 2006 AS DOCUMENT NUMBER 0628602043, DEMISING AND LEASING FOR A TERM OF 99 YEARS EXPIRING ON AUGUST 31, 2105, THE FOLLOWING DESCRIBED PREMISES, TO WIT:

LOT 1 IN BLOCK 2 AND LOT 1 IN BLOCK 4,

ALL IN PARKSIDE OF OLD TOWN, BEING A RESUBDIVISION AND CONSOLIDATION OF PARTS OF BLOCKS 2 AND 3, AND ALL OF BLOCKS 4 AND 5, AND PARTS OF VACATED ALLEYS LYING WITHIN BLOCK 2 AFORESAID, AND VACATED ALLEYS LYING WITHIN BLOCKS 3, 4 AND 5 AFORESAID, TOGETHER WITH THAT PART OF VACATED ELM STREET LYING SOUTH OF AND ADJOINING BLOCKS 2, 3 AND 5 AFORESAID, AND LYING NORTH OF AND ADJOINING BLOCKS 9, 7 AND 6, AND THAT PART OF VACATED NORTH HUDSON AVENUE LYING WEST OF AND ADJOINING BLOCK 2 AFORESAID, AND LYING EAST OF AND ADJOINING BLOCK 3 AFORESAID, AND LYING NORTH OF THE SOUTH LINE OF WEST ELM STREET, AND LYING SOUTH OF THE SOUTH LINE OF WEST DIVISION STREET AS WIDENED, ALL IN ROGERS' SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT OF SAID PARKSIDE OF OLD TOWN RECORDED AUGUST 4, 2006 AS DOCUMENT NUMBER 0621632048.

Commonly known as:

511 W. Division Street, Chicago, IL; PIN: 17-04-305-031 [Lot 1 in Block 2]
437 W. Division Street, Chicago, IL; PIN: 17-04-307-030 [Lot 1 in Block 4]

EXHIBIT B-1 (Continued)
Legal Description of the Property

Phase I Property Legal Description

THE TOWNHOMES REAL ESTATE

LEASEHOLD ESTATE CREATED BY GROUND LEASE DATED AS OF SEPTEMBER 1, 2006 BETWEEN CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, LANDLORD, AND PARKSIDE OLD TOWN I, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, TENANT, RECORDED OCTOBER 13, 2006 AS DOCUMENT NUMBER 0628602044, DEMISING AND LEASING FOR A TERM OF 99 YEARS EXPIRING ON AUGUST 31, 2105, THE FOLLOWING DESCRIBED PREMISES, TO WIT:

LOTS 3 TO 10 INCLUSIVE, AND LOTS 12 TO 26, INCLUSIVE, IN BLOCK 2, LOTS 3 TO 9, INCLUSIVE, AND LOTS 19 TO 26, INCLUSIVE, IN BLOCK 3, LOTS 5 TO 22, INCLUSIVE, IN BLOCK 4,

ALL IN PARKSIDE OF OLD TOWN, BEING A RESUBDIVISION AND CONSOLIDATION OF PARTS OF BLOCKS 2 AND 3, AND ALL OF BLOCKS 4 AND 5, AND PARTS OF VACATED ALLEYS LYING WITHIN BLOCK 2 AFORESAID, AND VACATED ALLEYS LYING WITHIN BLOCKS 3, 4 AND 5 AFORESAID, TOGETHER WITH THAT PART OF VACATED ELM STREET LYING SOUTH OF AND ADJOINING BLOCKS 2, 3 AND 5 AFORESAID, AND LYING NORTH OF AND ADJOINING BLOCKS 9, 7 AND 6, AND THAT PART OF VACATED NORTH HUDSON AVENUE LYING WEST OF AND ADJOINING BLOCK 2 AFORESAID, AND LYING EAST OF AND ADJOINING BLOCK 3 AFORESAID, AND LYING NORTH OF THE SOUTH LINE OF WEST ELM STREET, AND LYING SOUTH OF THE SOUTH LINE OF WEST DIVISION STREET AS WIDENED, ALL IN ROGERS' SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT OF SAID PARKSIDE OF OLD TOWN RECORDED AUGUST 4, 2006 AS DOCUMENT NO: 0621632048.

Commonly known as:

1152 N. Cleveland Avenue, Chicago, IL; 17-04-305-033-040 [Lots 3-10 in Block 2]

1141-1153 N. Cambridge Avenue, Chicago, IL; 17-04-305-042-048 [Lots 12-18 in Block 2]

500-514 W. Elm Street, Chicago, IL; 17-04-305-049-055; 17-04-305-057-4023 [Lots 19-26 in Block 2]

1142-54 N. Hudson Street, Chicago, IL; 17-04-306-032-038 [Lots 3-9 in Block 3]

462-476 W. Elm Street, Chicago, IL; 17-04-306-048-055 [Lots 19-26 in Block 3]

1151 N. Hudson Avenue, Chicago, IL; 17-04-307-034-038 [Lots 5-9 in Block 4]

426-450 W. Elm Street, Chicago, IL; 17-04-307-039-051 [Lots 10-22 in Block 4]

EXHIBIT B-1 (Continued)
Legal Description of the Property

Phase I Property Legal Description

LEASEHOLD ESTATE CREATED BY GROUND LEASE DATED AS OF AUGUST 1, 2007 BETWEEN THE CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, LANDLORD, AND CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, TENANT, RECORDED AUGUST 15, 2007 AS DOCUMENT NUMBER 0722726076, AND ASSIGNED TO PARKSIDE NINE PHASE I, L.P., AN ILLINOIS LIMITED PARTNERSHIP AND AMENDED BY ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE BY AND AMONG CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, PARKSIDE NINE PHASE I, L.P., AN ILLINOIS LIMITED PARTNERSHIP AND THE CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, DATED AUGUST 1, 2007 AND RECORDED AUGUST 15, 2007 AS DOCUMENT NUMBER 0722726077, DEMISING AND LEASING FOR A TERM OF 99 YEARS EXPIRING ON JULY 31, 2106, THE FOLLOWING DESCRIBED PREMISES, TO WIT:

LOT 2 IN BLOCK 1

IN PARKSIDE OF OLD TOWN, BEING A RESUBDIVISION AND CONSOLIDATION OF PARTS OF BLOCKS 2 AND 3, AND ALL OF BLOCKS 4 AND 5, AND PARTS OF VACATED ALLEYS LYING WITHIN BLOCK 2 AFORESAID, AND VACATED ALLEYS LYING WITHIN BLOCKS 3, 4 AND 5 AFORESAID, TOGETHER WITH THAT PART OF VACATED ELM STREET LYING SOUTH OF AND ADJOINING BLOCKS 2, 3 AND 5 AFORESAID, AND LYING NORTH OF AND ADJOINING BLOCKS 9, 7 AND 6, AND THAT PART OF VACATED NORTH HUDSON AVENUE LYING WEST OF AND ADJOINING BLOCK 2 AFORESAID, AND LYING EAST OF AND ADJOINING BLOCK 3 AFORESAID, AND LYING NORTH OF THE SOUTH LINE OF WEST ELM STREET, AND LYING SOUTH OF THE SOUTH LINE OF WEST DIVISION STREET AS WIDENED, ALL IN ROGERS' SUBDIVISION OF THAT PART WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT OF SAID PARKSIDE OF OLD TOWN RECORDED AUGUST 4, 2006 AS DOCUMENT NUMBER 0621632048.

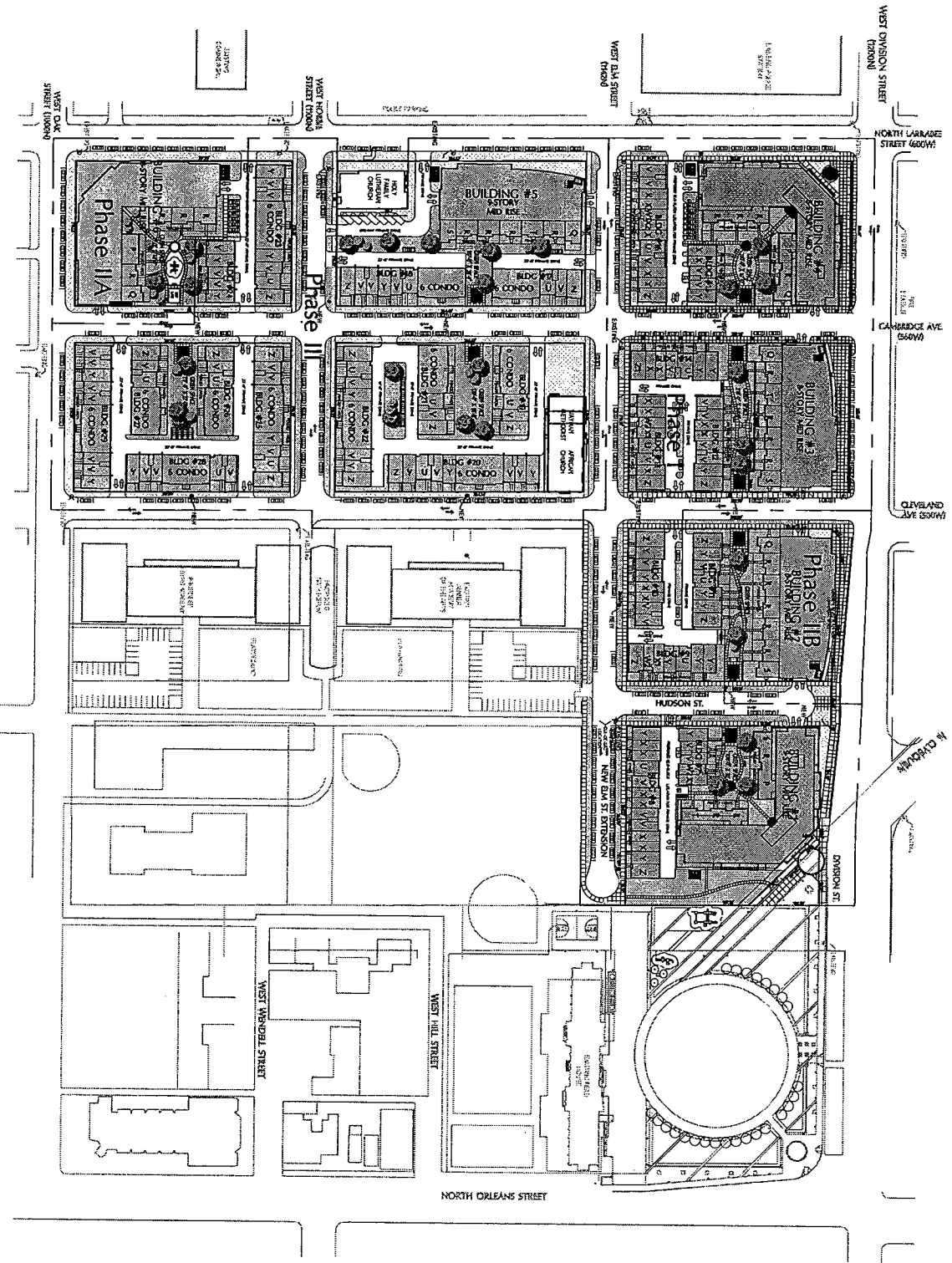
ADDRESS COMMONLY KNOWN AS: 545 W. Division Street, Chicago, Illinois

PERMANENT INDEX NO.: 17-04-304-027

EXHIBIT B-2
Site Plan for the Project

See attached.

Site Plan



**EXHIBIT C-1
Project Budget**

See attached.

TOTAL DEVELOPMENT BUDGET: PARKSIDE - RENTAL-PHASE 2A

	PHASE 2A	TIF Eligible Costs	PHASE 2A Eligible Basis LIHTC	Per Unit Cost Phase 2A
	112		77.68%	
HARD COSTS RESIDENTIAL :				
Site work: residential			\$ -	\$ -
Construction: residential	\$ 28,750,609	\$ 11,166,531	\$ 26,750,609	\$ 256,702
Contingency: residential 5%	\$ 1,437,530	\$ 558,327	\$ 359,383	\$ 12,835
TOTAL HARD COSTS RESIDENTIAL :	\$ 30,188,139	\$ 11,724,858	\$ 27,109,992	\$ 269,537
SOFT COSTS:				
Professional Services:				
Architect - Master Plan	\$ 334,891		\$ 334,891	\$ 2,990
Architect - Design, Permit Process	\$ 539,459		\$ 539,459	\$ 4,817
Architect - Supervision	\$ 60,000		\$ 60,000	\$ 536
Architect - Misc.	\$ 35,000		\$ 35,000	\$ 313
Architect - Engineer	\$ -		\$ -	\$ -
Engineer - Misc.	\$ -		\$ -	\$ -
Part 2 Fee - New City Code	\$ 35,175		\$ 35,175	\$ 314
Sidewalks	\$ 75,000		\$ 75,000	\$ 670
Winter Conditions	\$ 271,000		\$ 271,000	\$ 2,420
Private Utilities	\$ 300,000		\$ 300,000	\$ 2,679
Utility Relocation	\$ 1,175,130	\$ 500,000	\$ 1,175,130	\$ 10,492
Concrete, Rebar and Masonry Testing	\$ 85,000		\$ 85,000	\$ 759
Soil Testing / Geotechnical	\$ 3,870		\$ 3,870	\$ 35
Legal Fees - Partnership	\$ 310,000		\$ 62,000	\$ 2,768
Legal Fees - Syndicator	\$ 160,000		\$ -	\$ 1,429
Legal Fees - Lender (CHA)	\$ 192,000		\$ -	\$ 1,714
Legal Fees - Zoning	\$ 15,000		\$ -	\$ 134
Consultant - TIF	\$ -		\$ -	\$ -
Consultant - HOPE VI	\$ -		\$ -	\$ -
Accounting	\$ 80,000		\$ -	\$ 714
Market Study/Appraisal	\$ 25,000		\$ 25,000	\$ 223
Survey/Plat of Subdivision	\$ 45,000		\$ 45,000	\$ 402
Environmental Reports	\$ 5,000		\$ 5,000	\$ 45
Construction Period Taxes	\$ 200,000		\$ 200,000	\$ 1,786
Construction Period Insurance	\$ 250,000		\$ 250,000	\$ 2,232
Real Estate Tax Escrow	\$ 80,000		\$ -	\$ 714
Insurance Escrow	\$ 70,000		\$ -	\$ 625
Title & Recording	\$ 50,000		\$ 50,000	\$ 446
Lender's Fees- 1st Mortgage	\$ 203,000		\$ -	\$ 1,813
Equity Bridge Loan Interest	\$ 1,200,000		\$ 840,000	\$ 10,714
Tax Credit Fees	\$ 122,500		\$ -	\$ 1,094
Permit/Application Fees	\$ 121,825		\$ 121,825	\$ 1,088
Marketing and Leasing	\$ 190,000		\$ -	\$ 1,696
Bridge Lender Fees	\$ 230,000		\$ -	\$ 2,054
Construction Period Carry Costs	\$ 90,000		\$ 90,000	\$ 804
TIF Financing Costs	\$ 296,483			\$ 2,647
PH Unit Rent Reserve	\$ -		\$ -	\$ -
Lease-Up Reserve	\$ 450,000		\$ -	\$ 4,018
Operating Reserve	\$ 1,000,000		\$ -	\$ 8,929
Developer Fee	\$ 3,132,858		\$ 3,132,858	\$ 27,972
TOTAL SOFT COSTS	\$ 11,433,191	\$ 500,000	\$ 7,736,208	\$ 102,082
USES OF FUNDS: TOTAL Residential	\$ 41,621,330	\$ 12,224,858	\$ 34,846,200	\$ 371,619
DEVELOPMENT COSTS COMMERCIAL				
Commercial Space - soft costs	\$ 100,000		\$ -	\$ 100,000
TOTAL DEVELOPMENT COSTS COMMERCIAL:	\$ 100,000		\$ -	\$ 100,000
TOTAL DEVELOPMENT COST	\$ 41,721,330			

EXHIBIT C-2
Construction (MBE/WBE) Budget

See attached.

Exhibit C-2
M/WBE Eligible Costs

Hard Costs

New Construction (excluding contingency)	\$28,750,609.00
Total	\$28,750,609.00

Soft Costs

Utility Relocation and Private Utilities	\$1,475,130.00
Professional Fees (arch, eng, concrete testing, etc).	\$1,054,350.00
Total	\$2,529,480.00

Total MBE/WBE Eligible Costs	\$31,280,089.00	\$549,870.00
------------------------------	-----------------	--------------

Minimum Contract Amount to MBE Contractors (24%)	\$7,507,221.36
Minimum Contract Amount to MBE Contractors (4%)	\$1,251,203.56

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

EXHIBIT D
TIF-Funded Improvements

ELIGIBLE COST	AMOUNT	TIF- ELIGIBLE	PERCENTAGE TIF- ELIGIBLE
Construction residential -	\$28,750,609	\$11,166,531	50% Eligible Cost for CHA & LIHTC Units
Contingency: . hard costs	\$1,437,530	\$558,327	50% Eligible Cost for CHA & LIHTC Units
Winter Conditions	\$271,000	\$135,500	50% Eligible Cost for CHA and LIHTC Units
Utility Relocation	\$1,175,130	\$700,000	100% of Cost for Work in Public Way
Total	\$31,634,269	\$12,560,358	

The Commissioner shall have authority to consent to adjustments between the line items set forth above and to consent to additional TIF-Funded Improvement redevelopment project costs within other categories authorized under the Act.

EXHIBIT E
Construction Contract

See attached



AIA® Document A101™ – 2007

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

AGREEMENT made as of the 30th day of June in the year ~~year~~ 2010
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Parkside Nine Phase II, LP
c/o Holsten Real Estate Development Corp.
1333 N. Kingsbury, Suite 305
Chicago, IL 60642
Attention: Peter Holsten

and the Contractor:
(Name, legal status, address and other information)

Linn-Mathes, Inc.
309 South Green Street
Chicago, IL 60607
Attention: Bob Mathes
Phone: (312) 454-0200

for the following Project:
(Name, location and detailed description)
Parkside of Old Town Phase II, Rental Building No. 6

The Architect:
(Name, legal status, address and other information)

FitzGerald Associates Architects PC
912 West Lake Street
Chicago, IL 60607-1707
Attention: Ron De La Cruz

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

1	THE CONTRACT DOCUMENTS
2	THE WORK OF THIS CONTRACT
3	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
4	CONTRACT SUM
5	PAYMENTS
6	DISPUTE RESOLUTION
7	TERMINATION OR SUSPENSION
8	MISCELLANEOUS PROVISIONS
9	ENUMERATION OF CONTRACT DOCUMENTS
10	INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

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, all of which 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 agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

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

Owner has obtained or will obtain a building permit for this project.

The contract consists of 1 mid-rise building including 6 attached townhouse units and associated site work.

In connection with the Project, the Owner, Parkside Associates, LLC, Parkside Nine II, LLC and the Chicago Housing Authority are entering into a Remediation Agreement dated as of June 30, 2010 (the "Remediation Agreement") regarding certain "Remediation Work" (as defined in the Remediation Agreement) that Owner must perform in connection with the Project. The Owner and Contractor are entering into a separate contract under which the Contractor shall perform such "Remediation Work," and the Work hereunder shall not include such "Remediation Work."

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(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.)

The date of commencement shall be three (3) business days after the Owner has issued a notice to proceed to Contractor authorizing Contractor to commence construction.

Init.

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

N/A

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

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than () days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)

Substantial Completion will be the date noted in the Construction Schedule attached hereto as Exhibit "C." Substantial Completion shall be defined by Section 9.8.1 of the General Conditions. This schedule will be updated to reflect the accurate Date of Commencement and Completion after the Notice to Proceed is received and, as construction proceeds, will be updated to reflect changes in the schedule pursuant to approved Change Orders; however, Change Orders for updates to the Construction Schedule will only be required if the commencement or completion date is later than currently specified in Exhibit C.

The Project will contain thirty-four (34) units that will, upon completion, be leased to CHA residents that are also qualifying tenants under the low income housing tax credit program. The Project will contain five (5) units that will, upon completion, be leased to CHA residents that are not qualifying tenants under the low-income housing tax credit program. These units (39 total) are referred to herein and in the other Contract Documents as the "CHA Units" and are described in Exhibit L.

The Project will contain units that will, upon completion, be set aside for qualifying tenants under the low income housing tax credit program. These units (87 total) are referred to herein and in other Contract Documents as the "LIHTC Units" and are described as "Affordable" in Exhibit L.

Portion of Work

Substantial Completion Date

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

(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

The parties acknowledge and agree that delays in the Substantial Completion of the Work beyond the date specified in this Agreement for Substantial Completion would result in the loss of certain economic benefits and tax benefits to Owner or to the partners of the Partnership to which this Agreement may be assigned, which would be extremely difficult and impracticable to fix or ascertain under presently known and anticipated facts and circumstances. Accordingly, the parties hereby agree that if Contractor fails to achieve Substantial Completion of the Work beyond the date specified in this Agreement for Substantial Completion, then Owner's remedy for such failure shall be to recover from Contractor an amount equal to \$6712.00 for each day that Substantial Completion has been delayed beyond the date required hereunder (the "Liquidated Damages Amount"). (The Liquidated Damages Amount was calculated as follows: Annual LIHTC allocation divided by 365.) Owner and Contractor agree that Owner's recovery of liquidated damages shall preclude Owner from recovering any other damages based on a delay in completing the units.

Contractor shall be entitled to extensions of time by reason of any Force Majeure Event. A "Force Majeure Event" shall be any delay occasioned by those causes set forth in Section 8.3.1 of the AIA General Conditions, Document A201-1997, as supplemented by the Contract Documents.

Init.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Twenty-eight million seven hundred fifty thousand six hundred nine and no/100ths dollars (\$ 28,750,609.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

N/A

§ 4.3 Unit prices, if any:
(Identify and state the unit price; state quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price Per Unit (\$0.00)
NONE		

§ 4.4 Allowances included in the Contract Sum, if any:
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price
NONE	

ARTICLE 5 PAYMENTS

§ 5.1 PROGRESS PAYMENTS

§ 5.1.1 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.

Progress payments, and all Applications for Payment, shall be made on a Project-wide basis. Contractor will maintain, and provide with each Application for Payment, a Contractor's sworn statement for the building and the site work. Payments are also subject to the approval of the Chicago Housing Authority ("CHA"), City of Chicago, Alliant Credit Facility, Ltd. and JPMorgan Chase Bank, N.A. (collectively referred to herein and in the Contract Documents as the "Funders"). Contractor will maintain and provide to Owner upon request, any additional back-up information regarding each Application for Payment.

§ 5.1.2 The period covered by each Application for Payment shall be ~~one calendar month ending on the last day of the month, or as follows:~~ month. All applications for payment and processing shall be made in accordance with the procedures established by the Funders, which are summarized on Exhibit G. Subject to the foregoing, Owner will make payment within 60 days after the Architect has approved the Application for Payment.

§ 5.1.3 ~~Provided that an Application for Payment is received by the Architect not later than the — day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the — day of the — month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than — () days after the Architect receives the Application for Payment.~~

Init.

(Federal, state or local laws may require payment within a certain period of time.) Contractor and each subcontractor shall be paid through a construction escrow established with the Funders, the construction escrow agent, and the contractor.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The Schedule of Values is attached as Exhibit D. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 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.

§ 5.1.6 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 Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of percent (%), ten percent (10%) (to be reduced to 5% at 90% completion, subject to approval by Owner and the Funders). Subject to the approval of the Funders and the Owner, upon certification by Architect and Funder's inspection that the work of any subcontractor or the Contractor has been satisfactorily completed, the remaining retainage applicable to such subcontract or under the Contract may be paid to the subcontractor or the Contractor (as applicable). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201™-2007, General Conditions of the Contract for Construction;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, ~~Owner and Funders~~, suitably stored off the site at a location agreed upon in writing), less retainage of percent (~~—~~); ten percent (10 %) (to be reduced to 5% at 90% completion, subject to approval by the Funder and the Owner;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007. ~~A201-2007~~ and other amounts properly held by the Owner pursuant to the express provisions of the contract or the general conditions at the time of each progress payment.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled ~~claims; claims, less the greater of (a) 150% of the value of the remaining punchlist items (as described in Article 3.3) or (b) \$10,000; and (Section 9.8.5 of AIA Document A201-2007 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)~~
- .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-2007.

§ 5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

Payment for punchlist items will be withheld at the rate of the greater of: (i) \$10,000 or (ii) 150% of the value of work as determined by the Architect. Contractor shall use reasonable efforts to complete all Punchlist items within 30 days of submittal to Contractor unless such punchlist items cannot, by their nature be completed within such 30-

Init.

day period. Completion dates must be established for items requiring an extension of such 30-day period. Prior to commencement, the Contractor shall provide the Owner with a detailed master project schedule for the Work. After commencement, the Contractor will provide Owner with updates as needed to reflect significant changes.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 FINAL PAYMENT

§ 5.2.1 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 Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment; and
- 2 a final Certificate for Payment has been issued by the Architect.
- 3 full approval or sign-off from the Chicago Housing Authority and/or the City of Chicago on any and all compliance issues including resolution of all outstanding Davis Bacon issues.
- 4 Contractor shall have delivered to Owner fully executed copies, in form and content satisfactory to Owner; of (i) AIA Document G704 (Certificate of Substantial Completion); (ii) AIA Document G707 (Consent of Surety to Final Payment); and (iii) AIA Document G707A (Consent of Surety to Reduction in or Partial Release of Retainage).
- 5 for the final payment, Contractor has performed the required work for the building site (for the foot print of the building, but not associated landscaping) under the Remediation Agreement, as evidenced by a certificate issued by Owner's environmental consultant.

§ 5.2.2 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, or as follows:

Notwithstanding any provision herein to the contrary, the Owner shall not be obligated to make any payment to the Contractor hereunder if the Contractor is in material default of any of its material obligations hereunder or otherwise is in default under any of the Contract Documents.

Notwithstanding the foregoing, Owner shall not be entitled to withhold from any payment hereunder an amount which would cure any of the foregoing deficiencies in the performance of Contractor's obligations hereunder.

If any mechanics' or materialmen's liens shall be filed against the Project in connection with the Work, the Contractor shall promptly pay the same or cause them to be discharged, bonded over or insured over by Owner's title insurer upon demand by the Owner as provided in Subparagraph 3.19.2 of the General Conditions, unless payment for the Work that is the subject of the lien has not been received from Owner.

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 INITIAL DECISION MAKER

The Architect will serve as Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2007, unless the parties appoint below another individual, not a party to this Agreement, to serve as Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

Init.

§ 6.2 BINDING DISPUTE RESOLUTION

For any Claim subject to, but not resolved by, mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)

- Arbitration pursuant to Section 15.4 of AIA Document A201-2007
- Litigation in a court of competent jurisdiction
- Other *(Specify)*

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document ~~A201-2007~~-A201-2007, as amended.

§ 7.1.1 Upon termination of this Contract, Contractor shall execute and deliver all such papers and documents, and take all such steps, including the legal assignment of all subcontracts, as Owner may reasonably require.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of 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.

§ 8.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due. For any amounts to be paid hereunder, payment will be due sixty (60) days after the Architect approves an Application for Payment relating to such amounts which is submitted at the Formal Draw meeting described in Exhibit G. at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. The "prime" or "reference" rate announced from time to time in The Wall Street Journal.
(Insert rate of interest agreed upon, if any.)

%

§ 8.3 The Owner's representative:
(Name, address and other information)

Peter Holsten
Holsten Real Estate Development Corporation
1333 North Kingsbury, Suite 305
Chicago, IL 60642

§ 8.4 The Contractor's representative:
(Name, address and other information)

Bob Mathes

Linn-Mathes, Inc.
309 South Green Street
Chicago, IL 60607

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

§ 8.6 Other provisions:

See Exhibit F for Notice Provisions.

§8.7 Contractor may not assign this Agreement without Owner's prior written consent. Owner reserves the right to assign its interests in the Contract Documents to each of the Funders for collateral purposes and Contractor shall execute consents to such assignments, in the forms attached hereto as Exhibit H or substantially similar thereto. Owner shall be permitted to assign its interests in the Contract Documents to the Chicago Housing Authority on terms reasonably satisfactory to Owner, the assignee and the Contractor.

§8.8 Contractor represents that (i) Contractor has carefully reviewed the Contract Documents, and (ii) the Contractor has advised Owner of all aspects presently known to Contractor as to which Contract Documents are insufficient to enable Contractor to construct the Work for the Contract Sum, within the contract time and in strict accordance with the Contract Documents, in accordance with all laws, regulations, and other government requirements, and otherwise to fulfill all Contractor's obligations hereunder. Contractor shall perform no portion of the Work at any time without Contract Documents or, where required, approved (or approved as noted) shop drawings, product data or samples for such portion of the Work.

§8.9 Contractor shall, if required by any Funder, certify that the Construction Schedule (as it may be updated hereunder), is, in Contractor's best professional judgment, realistic and can be adhered to in completing the Project in accordance with the Drawings and Specifications.

ARTICLE 9 - ENUMERATION OF CONTRACT DOCUMENTS.

§ 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 9.1.1 The Agreement is this modified and executed AIA Document A101-2007, Standard Form of Agreement Between Owner and Contractor.

§ 9.1.2 The General Conditions are AIA Document A201-2007, General Conditions of the Contract for ~~Construction.~~ Construction as modified and attached hereto, including the Supplemental Conditions attached thereto.

§ 9.1.3 The Supplementary and other Conditions of the Contract:
Please see Exhibit A attached hereto and made a part hereof.

Document	Title	Date	Pages
----------	-------	------	-------

§ 9.1.4 The Specifications:

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

Please see Exhibit A attached hereto and made a part hereof.

Please see Exhibit M (Clarifications, Assumptions and Exceptions) attached hereto and made a part hereof.

Section	Title	Date	Pages
---------	-------	------	-------

§ 9.1.5 The Drawings:

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

Please see Exhibit A attached hereto and made a part hereof

Number	Title	Date
--------	-------	------

§ 9.1.6 The Addenda, if any:

Please see Exhibit A, attached hereto and made a part hereof.

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 9.

§ 9.1.7 Additional documents, if any, forming part of the Contract Documents:

- .1 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed by the parties, or the following:

- .2 Other documents, if any, listed below:
(List here any additional documents 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.)

- Exhibit A – Drawing List
- Exhibit B – City of Chicago Requirements
- Exhibit C – Construction Schedule
- Exhibit D – Schedule of Values
- Exhibit E – Allowances
- Exhibit F – Notice Provisions
- Exhibit G – Funder Requirements Regarding Funding, Completion
- Exhibit H – Form of Consent to Assignment
- Exhibit I – Form of Subcontract
- Exhibit J – CHA Requirements
- Exhibit K – Legal Description for Project site
- Exhibit L – Unit Schedule
- Exhibit M – Clarifications, Assumptions and Exceptions
- Exhibit N – Form of Payment & Performance Bonds

ARTICLE 10 INSURANCE AND BONDS

The Contractor shall purchase and maintain insurance and provide bonds as set forth in Article 11 of AIA Document A201–2007.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201–2007.)

Type of insurance or bond	Limit of liability or bond amount (\$0.00)
---------------------------	--

Init.

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

(Printed name and title)

Parkside Nine Phase II, LP
[See attached signature page.]

CONTRACTOR (Signature)

(Printed name and title)

Linn-Mathes, Inc.
By: Robert J. Mathes
Senior Vice President

Init.

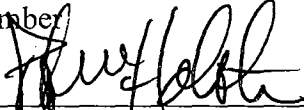
Signature Page to Construction Contract:

PARKSIDE NINE PHASE II, LP,
an Illinois limited partnership

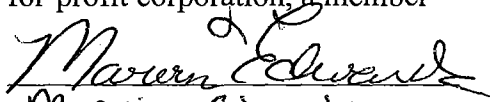
By: PARKSIDE NINE II, LLC,
an Illinois limited liability company
Its general partner

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

By: Holsten Real Estate Development
Corporation, an Illinois corporation,
a member

By: 
Name: Peter M. Holsten
Title: President

By: Cabrini Green LAC Community
Development Corporation, an Illinois not-
for-profit corporation, a member

By: 
Name: Marvin Edwards
Title: President



AIA[®] Document A201[™] – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

Parkside of Old Town Phase II, Rental Building No. 6

THE OWNER:

(Name, legal status and address)

Parkside Nine Phase II, LP
Holsten Real Estate Development Corp.
1333 N. Kingsbury, Suite 305
Chicago, IL 60622

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

THE ARCHITECT:

(Name, legal status and address)

FitzGerald Associates Architects PC
912 West Lake Street
Chicago, IL 60607-1707
Attention: Ron De La Cruz

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- 1 GENERAL PROVISIONS
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- 3 CONTRACTOR
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- 5 SUBCONTRACTORS
- 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
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- 12 UNCOVERING AND CORRECTION OF WORK
- 13 MISCELLANEOUS PROVISIONS
- 14 TERMINATION OR SUSPENSION OF THE CONTRACT
- 15 CLAIMS AND DISPUTES

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, as set forth in the Supplemental Conditions attached hereto and other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the

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indicated results. Work not covered in the Contract Documents will be required if it is reasonably inferable by a knowledgeable contractor.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.2.4 If any provision of the Contract Documents conflicts with or is inconsistent with any other, the documents shall govern in the following order, the Agreement, Supplemental Conditions, A201 General Conditions, Specifications and Drawings. Large scale Drawings take precedence over smaller scaled drawings, figured dimensions and noted materials over graphic representations. Contractor will report to the Owner if it becomes aware of a conflict between the Contract Document and applicable Code or Ordinances.

§ 1.2.5 The Specifications are of the abbreviated type and may include incomplete sentences. Omissions of phrases such as "The Contractor shall" or "complying with the requirements of" are intentional. Omitted words or phrases shall be supplied by inference in the same manner as they are when a "note" occurs on the Drawings. Words in the singular shall include the plural wherever applicable, or the context so indicates.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement. § 1.4.1 In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.4.2 The fact that language may have been omitted, deleted or modified, and that prior language remaining apparent on this document because of the use of the AIA software which requires such changes be apparent, is not intended to imply or create an inference of any intention and shall not be used to ascribe any meaning or intent.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants. All copies of the Instruments of Service, except the Contractor's record set, shall be returned or suitably accounted for promptly to the Owner or the Architect, on request, upon completion of the work.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations (of which the Owner has actual knowledge) for the site of the Project, and a legal description of the site. The Contractor shall be entitled to reasonably rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3. If the Owner orders the Contractor to stop the Work as provided in the first sentence of this paragraph, then the Owner shall not be responsible for any increase in the cost of the Work resulting from, arising out of, or in connection with such stoppage, any such increase being borne by the Contractor.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner

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may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, ~~including Owner's~~ which costs shall include (i) Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or ~~failure~~, and (ii) any costs of repairing damage done to the Project as a result of the deficient work. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents. In connection with such requirements, Contractor shall execute, deliver, and (if appropriate) acknowledge any and all instruments, certificates, agreements, and documents, reasonably requested by Owner or the Funders, provided that such instruments, certificates, agreements, and documents do not otherwise alter the rights and obligations of Contractor under the Contract Documents. Contractor agrees to execute and deliver to the Funders, upon request, a certificate describing the Agreement, stating that same is in full force and effect with no defaults or events or conditions which, with the giving of notice or lapse of time, or both, would constitute a default and containing such additional information and agreements customarily requested by the Funders or reasonably requested by Owner.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.1.4 The Contractor represents and warrants the following to Owner (in addition to the other representations and warranties contained in the Contract Documents), as an inducement to Owner to execute the Agreement, which representations and warranties shall survive the execution and delivery of this Agreement and the final completion of the Work:

§ 3.1.4.1 The Contractor is financially solvent, able to pay its debts as they mature and possessed of sufficient working capital to complete the Work and perform the obligations hereunder;

§ 3.1.4.2 The Contractor is able to furnish the plant, tools materials, supplies, equipment and labor required to complete the Work and perform its obligations hereunder and has sufficient experience and competence to do so;

§ 3.1.4.3 The Contractor is authorized to do business in the State where the Project is located and properly licensed by all necessary governmental and public authorities having jurisdiction over it and the Work and the site of the Project;

§ 3.1.4.4 The Contractor's execution of this Agreement and its performance thereof is within its duly authorized powers; and

§ 3.1.4.5 The Contractor's duly authorized representative has visited the site of the Work, familiarized himself or herself with the local conditions under which the Work is to be performed, including but not limited to those bearing on transportation, disposal, handling and storage of materials, security, availability of labor, water, electric power, roads and the character of equipment and facilities needed prior to and during the prosecution of the Work, and correlated his or her observations with the requirements of the Contract Documents.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, unless the Contractor recognized such error, inconsistency, omission or difference and knowingly failed to report it.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and the effect on any warranties required by the Contract Documents and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, safe or may impact the warranties required by the Contract Documents to the detriment of the Owner, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for (i) acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and any other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors or any of its Subcontractors, and (ii) damages, losses, costs and expenses resulting from such acts or omissions. Nothing in this Section 3.3.2 shall be deemed to relieve any subcontractor from its responsibilities for the safety of its portions of the Work, or for errors or omissions in the performance of the Work.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and

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maintenance of all such materials, equipment and tools, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them. The Contractor and any Subcontractors shall be required to conform to labor laws of the United States of America, the State of Illinois, the City of Chicago and various acts amendatory and supplementary thereto, and to other laws, ordinances and legal requirements applicable thereto, and to the requirements set forth in the Contract Documents regarding employment matters.

§ 3.4.4 The Contractor shall pay unemployment and social security taxes or other taxes imposed by Local, City, State or Federal government for Contractor's employees.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new and of recent manufacture unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment included in the Work. Except for Work accepted by the Owner under Section 9.9, all of the Contractor's warranties shall begin on the date of Substantial Completion of the Work in accordance with the Agreement and shall remain in effect for one year thereafter. Any manufacturer warranties beyond this one year period shall be either provided by manufacturers directly to the Owner on the manufacturer's standard forms or shall be assigned by the Contractor to the Owner. These requirements shall take precedence over any other provision in the Agreement relating to the Contractor's warranty.

§ 3.5.2 If the commissioning of any equipment occurs during a season during which such equipment would not normally be in operation to the extent possible, then the Contractor will use best efforts (but not requiring the payment of money) to cause the equipment warranty to be extended to a period commencing when such equipment is placed into normal operation.

§ 3.5.3 The Contractor shall assign to the Owner any special warranties provided by any Subcontractor or vendor, provided that such warranties shall not limit the Owner's remedies from Contractor, unless expressly provided in the Contract Documents.

§ 3.5.4 At the completion of the Work, all written guarantees and written warranties received by the Contractor covering material, workmanship, maintenance, etc., shall be forwarded to the Owner.

§ 3.5.5 Remedial Work: Defective materials, equipment or workmanship occurring within the Warranty period may be repaired where such repair produces results conforming to Contract requirements relating to appearance, performance and reliability. Where the nature of the defective materials, equipment or workmanship is such that acceptable results cannot be obtained by repair, such defective items shall be removed and replaced with new materials, equipment or workmanship complying with Contract requirements. All remedial work shall be subject to the Architect's approval.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect. Intentionally omitted.

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§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 ~~Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.~~ Intentionally omitted.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

To the extent applicable, Contractor shall provide Owner with timely and sufficient notice of any excavations required by the Work in order to permit Owner to comply with Chicago Municipal Code Section 13-124-390 requiring notifications to adjacent or nearby property owners of excavations required by the Work. Should Contractor fail to provide notice to the Owner or the Contractor's notice was incomplete or untimely so as to cause the Owner, directly or indirectly, to violate its statutory/regulatory notice requirements, then Contractor shall indemnify and hold harmless Owner for any and all fines/penalties imposed upon or assessed against Owner due to its violations of said requirements. In addition, the Contractor shall provide all lateral and subjacent support necessary to prevent any damage to adjacent or nearby property owners and shall be solely responsible to pay for all damages incurred by reason of such excavations. If entry or encroachment upon adjoining property or public rights of way is necessary to perform the Work or provide lateral and subjacent support, then the Owner shall obtain necessary permissions, permits or licenses and pay all costs and fees therefore. Contractor shall cooperate with Owner to assist it in acquiring any such access, permission, permits or licenses to complete the Work. Nothing in this subparagraph 3.7.2 shall be construed to negate or reduce the Contractor's duties pursuant to Sections 13-124-380-450 of the Chicago Municipal Code.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and based on an analysis of the critical path of the approved current construction schedule are likely to cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

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§ 3.8.2 Unless otherwise provided in the Contract Documents,

- 1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- 2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- 3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 ~~The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related~~ Construction Schedule is attached as Exhibit C to the Agreement. The Construction Schedule shall relate to the entire Project to the extent required by the Contract Documents, and shall provide provides for expeditious and practicable execution of the Work. The Construction Schedule contains an allowance of ten (10) lost working days to be used against any delay caused by adverse weather (as defined in Section 15.1.5.2). Contractor shall (i) notify Owner of any changes to the Construction Schedule and (ii) update the Construction Schedule as needed (pursuant to the Change Order process set forth herein). If requested by Owner, any update to the Construction Schedule shall include a statement by Contractor that, in its best professional judgment, the updated schedule is realistic and can be adhered to in completing the Project in accordance with the Plans and Specifications.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, ~~Samples and similar required submittals~~ Samples, sketches and similar required submittals. All of these are the "Record Drawings". These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work or termination as a record of the Work as constructed. Contractor shall record all substantial changes or deviations from the Contract Documents on reproducible medium. Record Drawings shall be delivered to Architect as a condition of final payment.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

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§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design the appropriate criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

~~The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.~~ **§ 3.13.1** The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

~~§3.13.2 Contractor shall confine operations at the Site to areas permitted by applicable permits and the Contract Documents and shall not unreasonably encumber the Site with any materials or equipment. Any storage of materials and equipment shall, at all times, be performed in a manner which limits any nuisance affecting health.~~

~~§3.13.3 Utility Expenses. Notwithstanding anything in the Agreement to the contrary, the Contractor shall be responsible for all utility expenses related to the performance of the Work and shall promptly pay all such bills as they become due upon invoice by Owner until the date on which the first unit has been Substantially Completed (evidenced by the issuance of a partial certificate of occupancy).~~

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located. § 3.16.1 At all times, the Contractor shall permit, at their own risk, the Owner, the Owner's Representative, the Funders and the City to have access to the Work for observation, review and analysis thereof, but the Owner, the Owner's Representatives, the Funders and the City shall not be obligated to perform such observation, review and analysis for the benefit of the Contractor. No observation, review and analysis failed to be performed by the Owner, the Owner's Representative, the Funders and the City shall be a waiver of any of the Contractor's obligations under the Agreement, or be construed as an acceptance or approval of the Work for any part thereof.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 § 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against law. Contractor shall indemnify, hold harmless and defend the Owner, Owner's lenders, the Funders, Owner's Representatives, the Architect, their respective agents, consultants and employees and those persons also described as Additional Insureds in the Supplemental Conditions attached to the Agreement from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from or in connection with the performance of the Work, provided that any such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a (these are collectively referred to as "claims") is caused in whole or in part by any negligent act or omission of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts they any of them may be liable, regardless of whether or not and provided such claim, damage, loss or expense is caused in part by a party indemnified hereunder, attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (other than the Work itself). Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity otherwise reduce any other right or obligation of indemnity or contribution which would otherwise exist as to a party or person described in this Section 3.18 any party or person described in the Contract Documents. Nothing herein shall allow a party to be indemnified against its own negligence if such indemnification is prohibited by the law of the State that applies to this Agreement. This indemnification agreement shall survive termination of this Agreement and the completion of the Work.

Claims shall be construed to include, but not be limited to (i) injury or damage consequent upon the failure of or use or misuse by Contractor, its Subcontractors, agents, servants or employees, of any hoist, rigging, blocking, scaffolding, or any and all kinds of items of equipment; (ii) all attorneys' fees and costs incurred in defense of the claim or in bringing an action to enforce the provision of this indemnity or any other indemnity contained in the Contract Documents; and (iii) all costs and expenses incurred by the party being indemnified or its employees, agents or consultants.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.19 INDEMNITY FOR LIENS

§ 3.19.1 Provided that required progress payments are timely made, the Contractor agrees to keep the Owner's title to real property free and clear of liens, lien claims or stop work notices arising out of the Work. The Contractor agrees to indemnify, defend and hold the Owner harmless from all liens, lien claims and stop work notices (based on

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Contractor default) recorded, asserted or filed on the Work or on any property on which it is being performed, on account of any labor performed or materials furnished by the Contractor or its Subcontractors or suppliers in connection with the Work. The Contractor's obligation hereunder includes paying for any attorneys' fees and court and other costs incurred by the Owner in connection with such liens and lien claims.

§ 3.19.2 Should any such lien, lien claim or stop notice be asserted, whether due to nonpayment of the claimant or otherwise, and whether contested or not, unless Contractor shall have bonded over or obtained title insurance for such lien, the Owner may at its sole discretion and without limiting or waiving any rights or remedies of any other interested person, take any of the following actions: (i) pay the amount of such lien, lien claim or stop notice either directly to the claimant or by issuance of joint payment to the Contractor and the claimant; (ii) retain from any payments then due or which thereafter become due to the Contractor, whether under the Agreement or otherwise, an amount sufficient to discharge the claimed amount and to hold the Owner harmless from any cost, expense, loss, or damage incurred in connection with the lien, lien claim or stop notice, including reasonable attorneys' fees; and (iii) require the Contractor to execute a title indemnity agreement acceptable to the Owner or record a properly executed bond (provided by a surety acceptable to the Owner) in the minimum amount of one and one-half (1 1/2) times the amount of the recorded lien, lien claim or stop notice, or such other greater amount as may be required by Owner, applicable law, or lender. This obligation shall survive termination of the Agreement or final completion or any component thereof. Further, the Owner may withhold payment from, or nullify any certificate for payment previously issued to the Contractor to the extent necessary to protect the Owner from loss due to the following: (i) lien claims filed; (ii) reasonable evidence indicating probably filing of lien claims; (iii) failure of Contractor to make payments properly to Subcontractors for material or labor; or (iv) any reasonable evidence that the Project cannot be completed for the balance then unpaid due to the need to correct defective work.

§ 3.20 If Owner is entitled to reimbursement or payment from Contractor under or pursuant to the Contract Documents for Owner's advances, such payment shall be made promptly upon demand by Owner. In the event such payment is not made, however, Owner shall have the option to either (i) deduct an equal amount from any payment then or thereafter due Contractor; or (ii) issue a Change Order reducing the Contract Sum by an equal amount.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. Payment and with the Owner's concurrence, from time to time during the one-year period for correction of Work described in Section 12.2. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with reasonably required by the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since

these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness as to cause no delay in the Work or in the activities of the Owner, Contractor or separate contractors while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of ~~the its~~ obligations including, without limitation, Contractor's obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval-review of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect (or, at the Owner's request, the Contractor) will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

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§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 ~~The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.~~ Intentionally omitted.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 ~~The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14 day period shall constitute notice of no reasonable objection.~~

~~§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14 day period shall constitute notice of no reasonable objection.~~

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order

shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

§ 5.5 PAYMENTS TO SUBCONTRACTORS

§ 5.5.1 The Contractor shall promptly advise the Owner of any claims or demand by a Subcontractor claiming that any amount is overdue to such Subcontractor (other than due to the fact that Contractor has not received funds from Owner hereunder) or claiming any default by the Contractor of its obligations to such Subcontractor.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15. Owner agrees that it shall employ union laborers for any work it performs pursuant to this Section.

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§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction. This paragraph shall not require Owner to be indemnified for its own negligent actions.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor ~~contractor~~, to the extent either is performing work at the Site, shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and ~~the Architect will~~ allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and ~~Architect~~, Architect (and such agreement must precede the Work covered by the Change Order); a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.1.4 No change in the Work, whether by way of alteration or addition to the Work, shall be the basis of an addition to the Contract Sum or a change in the Contract Time unless and until such alteration or addition has been authorized by a Change Order executed and issued in accordance with and in strict compliance with the requirements of the Contract Documents. This requirement is of the essence of the Agreement and these General Conditions. A Change Order may be executed in the form of a written memorandum summarizing all of the significant terms thereof, as opposed to a formal change order. Contractor shall be entitled to send proposed Change Orders by facsimile or email, and request that Owner's Representative sign and send a copy thereof by facsimile, in which event such facsimile or email shall constitute a Change Order.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time. Requests for extensions of time will be governed by Section 8 hereof.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 ~~Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.~~

As a condition precedent to the Owner's consideration of an adjustment to the Contract Time, the Contractor shall provide to the Owner's satisfaction credible records which demonstrate that the amount of time the Contractor spent in performing the change was not concurrent with the Contractor's performance of the original Work and not caused by any delay for which the Contractor is solely or partially responsible.

§ 7.3.6 ~~A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order. Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the~~

Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

1. Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
2. Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
3. Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
4. Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
5. Additional costs of supervision and field office personnel directly attributable to the change.

A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change. If the Contractor does not respond promptly or cannot reach agreement with Owner for adjustment in the Contract Sum or adjustment to the Contract Time, the Contractor shall proceed with the Work and, the method and the adjustment shall be determined by the Owner on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, a reasonable allowance for overhead and profit as set forth in Subparagraph 7.3.3. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Owner may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.6 shall be limited to the following:

1. costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
2. costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
3. rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
4. costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
5. additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15. The amount of credit to be allowed by the Contractor to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such

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agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive. Pending final determination of the total cost of a Construction Change Directive to the Owner, amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by a Change Order indicating the parties' agreement with part or all of such costs. For any portion of such cost that remains in dispute, the Owner or Architect will make an interim determination for purposes of monthly certification for payment for those costs. That determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a claim in accordance with Article 4.

§ 7.3.11 When the Owner and Contractor agree with the determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect or Owner has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect or Owner, as applicable, and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Work and that it is capable of properly completing the Work within the Contract Time.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time. Time set forth in the Agreement.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, Architect (but only to the extent that such act or neglect caused such delay), or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended may be extended in the Architect's reasonable discretion by Change Order for such reasonable time as the Architect may determine. determine and as approved by the Funders. Any claim for extension of time shall be made in writing to Owner, with a copy to the Architect, not more than twenty (20) days after the commencement of the delay, otherwise such claim shall be waived. In the case of a continuing delay, only one claim is necessary. With such notice, Contractor shall provide an estimate of the probable effect of such delay on the progress of the Work. The mere presentation of a claim for

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extension of the Contract Time shall not establish the validity of the cause of delay or of the extension of time. Extension of time shall be Contractor's sole and exclusive remedy for any such delay, except as otherwise agreed to by Owner in Section 8.3.3 below.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 ~~This~~ Except as limited by Section 15.1.6, this Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents- Documents, subject to Section 3.1 of the A101 (regarding claims relating to delays in the commencement date) and Section 3.3 of the A101 (regarding liquidated damages for delay in completion).

§ 8.3.4 Adjustments to the Contract Time shall be considered only for items identified as "critical path items" on the Contractor's originally submitted Construction Schedule, items that become critical path items in scheduling updates, or for reasons identified in Section 8.3.1.

§ 8.3.5 If any of the Work is to be performed by trade unions, the Contractor shall make all necessary arrangements to reconcile, without delay, damage, or cost to Owner and without recourse to Architect or Owner, any conflict between the Contract Documents and any agreements or regulations of any kind at any time in force among members or councils which regulate or distinguish what activities shall not be included in the work of any particular trade. In case the progress of the Work is affected by any undue delay in furnishing or installing any items or material or equipment required under the Contract Documents because of the conflict involving any such agreement or regulation, Architect may require that of the material or equipment of equal kind and quality be provided.

§ 8.3.6 Intentionally omitted.

§ 8.3.7 The Contractor will make reasonable efforts to achieve harmony among any unions having jurisdiction over the same work. In the event of labor disturbances, including strikes, picketing or other disturbances, the Contractor shall use reasonable efforts to mitigate the effect of such upon achievement of the Contract Time.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values (attached to the Agreement as Exhibit D) allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as ~~the Architect~~ the Architect, Owner, Funders, and the construction escrow agent may require. This schedule, unless objected to by the Architect, Owner, Funders, or the construction escrow agent shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten-twenty days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents. Payment on an Application for Payment shall be subject to the right of the Funders to observe, review and analyze the Work and approve the Application for Payment, as set forth in Article 5 of the A101.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders-Directives.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by

others whom the Contractor intends to pay. However, this paragraph will not apply to routine retainage the Contractor intends to withhold from the Subcontractor pursuant to the Subcontract.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the ~~Owner, Owner and Funders,~~ payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, sub-subcontractors, material and equipment suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract ~~Sum; Sum~~ whereupon no additional payments will be due Contractor hereunder unless and until Contractor, at his sole cost, performs a sufficient portion of the Work so that the portion of the

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- Contract Sum then remaining unpaid is determined by the Architect to be sufficient to complete the Work;
- .5 damage to the Owner or a separate contractor;
 - .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
or
 - .7 repeated failure to carry out the Work in accordance with the Contract Documents.
 - .8 failure of Contractor to remedy a Subcontractor's or supplier's mechanics lien pursuant to lien waiver procedures as set forth in Subparagraph 9.3.4 for which Contractor has been paid;
 - .9 Contractor's refusal or failure to accelerate when directed to do so by Owner;
 - .10 Violation under any of Owner's agreements with the Funders, if caused by Contractor's violation of any of its obligations under the Contract Documents; or
 - .11 Incomplete or insufficient Application for Payment in documents related thereto submitted to Architect.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. Notwithstanding anything to the contrary provided in this Agreement, the Contractor acknowledges and agrees, and shall give written notice to all appropriate parties, including, without limitation, its Subcontractors and materialmen involved in the Project, that all monies paid by the Owner under the Contract Documents shall be paid through a construction escrow or other similar escrow arrangement (the "Construction Escrow"), which shall be in form and substance satisfactory to the Owner, the Funders and its Title Company (the "Escrowee"). The Construction Escrow shall provide that the Escrowee will be authorized and directed to disburse the funds of the Owner deposited therein pursuant to Applications for Payment submitted by the Contractor, and approved by the Owner, the Funders, and Architect, only after obtaining as a condition precedent to making payment, such bonds, or releases and satisfactions of mechanics' liens or waivers of mechanics' liens and sworn statements of the Contractor, Subcontractors and material suppliers required by Escrowee to enable the Title Company to issue an ALTA Owner's Policy and any date-down endorsement thereto and an ALTA Lender's Policy and any date-down endorsement thereto (the "Title Policies") with no exception for any lien, or right to a lien, for services, labor or material heretofore furnished, imposed by law and not shown by the public records. The cost of the Construction Escrow and the Title Policy shall be borne by the Owner provided, however, that any charges or premiums of the Escrowee and the Title Company incurred as a result of the acts of Contractor, including, without limitation, any title indemnity funds for premiums relating to personal undertakings of the Contractor required by the Title Company to issue the policy of the title insurance shall be borne by the Contractor.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted

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Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. Contractor acknowledges that Owner may only occupy or utilize the Work for its intended purposes when the Owner has met the requirements of the Funders set forth in Exhibit G.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment, payment ("Punch List"). Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. When the Punch List has been prepared and after the Architect's inspection pursuant to 9.8.3, the Architect and Owner will arrange a meeting with the Contractor and applicable Subcontractors, to identify and explain all punchlist items and answer any questions on the Work which must be done before final acceptance. The Contractor shall arrange a schedule so that items to be corrected are completed in the designated time. In the event that the Owner occupies a designated portion of the Work pursuant to Section 9.9.1, the date of Substantial Completion for that portion of the Work shall be the date of such partial occupancy as approved by the City. The Architect will issue a Certificate of Substantial Completion for that portion of the Work when the Owner so takes possession of the Work.

§ 9.8.3 Upon receipt of the Contractor's list, ~~the Punch List~~, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, ~~Punch List~~, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion that such work has been completed.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, ~~shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and~~

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insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. ~~Warranties For townhome units, Owner will thereafter be responsible for all utility costs, maintenance, heat, damage to the Work and insurance from the date of the Substantial Completion; for mid-rise units, Owner will be responsible for all utility costs (as set forth in Paragraph 3.13.3), maintenance, heat, damage to the Work and insurance from the date of Substantial Completion. Contractor will not be responsible for Substantial Completion delays caused by other contractors of Owner at the Project site. Warranties applicable to each building required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion-Completion with respect to such building.~~

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. ~~Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents thereof if approved by the Funders expect for an amount equal to one hundred fifty percent (150%) of the estimated cost to complete all items on the Punch List.~~

§ 9.8.6 Partial Release of Retention to Subcontractors. ~~If requested by Contractor, and upon the agreement and prior written approval of Owner, the Funders and Contractor's surety under any bonds, if any, and in Owner's sole discretion, payment may be made in full, to those Subcontractors and/or suppliers whose Work is fully completed in the initial stages of the Project. As a condition of the release of their retainage such Subcontractors and/or suppliers shall have fully completed their Work and delivered all applicable documentation for final payment as described in Subparagraph 9.10.2 including release of mechanics' liens or documentation required by any title insurer, Escrowee, and Owners or the Funders. All retainage shall be included in Contractor's Application for Payment for the purpose of indicating the value of work completed; however, Contractor shall not request payment thereof, nor shall such sums be due until final payment. Owners reduction in retainage is subject to reinstatement by Owner at any time.~~

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 ~~Upon approval by the Funders, the Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.~~

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will

constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and ~~(5), the Funders and the surety, if any, to final payment,~~ (5) all maintenance and operation manuals, (6) any special guarantees or warranties required by the Contract Documents, (7) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner; (8) a list of the names, addresses and telephone numbers of all Subcontractors and (9) an ALTA compliant final survey (provided by Owner prior to the time that conditions (1) – (8) above are met) showing the exact locations of all structures and water, sewer, gas and electric lines and mains and of all easements for such utilities then existing and as as-built survey of the building foundations and other site improvements at the time of installation together with a set of Record Drawings for the Project as constructed. Such surveys shall be prepared by a licensed surveyor who shall certify that the improvements are installed and erected entirely upon the land and within the building restriction lines, if any, and do not overhang or encroach upon any easement of right-of-way of others and shall be in a form satisfactory to Owner. Costs incurred in correcting any encroachment or overhang due to the fault of the Contractor shall not be included as a cost of the Work. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees-fees, unless Contractor is proceeding diligently and in good faith to contest such lien and has furnished to Owner reasonable security, such as a bond, title insurance, or letter of credit to protect Owner against such liens..

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and ~~accepted~~ accepted upon approval by the Funders, as set forth in Section 5.2 of the A101. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

~~The Contractor shall be~~ As between Owner and Contractor, the Contractor shall be solely responsible for initiating, maintaining and supervising all safety and security precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY SAFETY AND SECURITY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- 1 employees on the Work and other persons who may be affected thereby;
- 2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- 3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities which transverse or are adjacent to the site, whether or not shown accurately on the Contract Documents of which Contractor has actual knowledge, and which are not designated for removal, relocation or replacement in the course of construction.

§10.2.2 In addition to the requirements of Subparagraph 10.2.1, the Contractor shall provide temporary enclosures and protection of the building; install temporary doors for exterior door openings as required to prevent unauthorized entrance into the building; provide temporary enclosures for window openings, if weather protection is required before windows are installed and glazed; provide adequate guards at material hoistway openings; elevator shafts and stairwell openings; protecting floors from mortar, paint and oil droppings and other damage; when windows are glazed, make evident the presence of glass by approved, simple painted markings or other devices which can be easily removed without scratching the glass; and provide temporary, but secure, protection to openings in exterior walls that are required by the Work. The Contractor shall remove all temporary enclosures and protection when no longer needed.

See Supplemental Conditions Paragraph 2.

§10.2.3. The Contractor shall immediately report in writing to Owner and Architect all accidents arising out of or in connection with the Work which cause death, personal injury or property damage, giving full details and statements of witnesses.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel. The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18: erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.6 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

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~~§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.~~

~~§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.~~

~~§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.~~

~~§ 10.2.9 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.~~

~~§ 10.2.10 INJURY OR DAMAGE TO PERSON OR PROPERTY~~

~~If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.~~

~~§ 10.3 HAZARDOUS MATERIALS~~

~~§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), hazardous substance within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, and any implementing regulations or guidance issued pursuant to CERCLA, including but not limited to asbestos, polychlorinated biphenyl (PCB) or lead paint, encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. Contractor shall not take any other action with respect to such hazardous substances without Owner's prior written approval.~~

~~§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an a reasonable objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.~~

~~§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from~~

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performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity. With the exception of Contractor's obligations under this Article 10, Contractor shall have no responsibility for the discovery, presence, handling, containment, removal, disposal, remediation, corrective action or other response to, or for exposure of persons to, any hazardous substances which exist in any form at, on, in, below, or above the Project site.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence or misconduct on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred. Owner shall have the right to engage counsel of its choosing to defend any claims made or actions brought with respect to such costs.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

The preceding provisions in Sections 10.3.3, 10.3.4 and 10.3.5 of this Article 10 shall not apply to the "Remediation Work" under the Remediation Agreement (as described in Article 2 of the A101), as the Owner and Contractor are entering into a separate contract regarding such "Remediation Work" and the obligations and rights of Owner and Contractor with respect to the hazardous substances to be remediated pursuant to such contract.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 ~~The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:~~

- ~~1. Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;~~
- ~~2. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;~~
- ~~3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;~~
- ~~4. Claims for damages insured by usual personal injury liability coverage;~~
- ~~5. Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;~~
- ~~6. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;~~
- ~~7. Claims for bodily injury or property damage arising out of completed operations; and~~
- ~~8. Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18 insurance as set forth in the Supplemental Conditions Paragraph 3.~~

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~~§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.~~Intentionally omitted.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

~~§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.~~

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the ~~Owner,~~ Owner as named insured and shall name as additional insureds the Contractor, Subcontractors and Sub-subcontractors in the ~~Project.~~ Project as their interests may appear.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss. Property Insurance provided by Owners shall not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring and other similar items commonly referred to as construction equipment, which may be on the site and the capital value of which is not included in the Work. The Contractor shall make his own arrangements for any insurance he may require on such construction equipment.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or

maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 ~~If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.~~ The Owner shall be responsible for payment of any property deductibles and costs not covered by the property insurance, provided, however, that if a theft or property damage loss covered by the builder's risk insurance results from a negligent action or omission of the Contractor or any of its subcontractors, including a failure by the Contractor to secure the building in accordance with its contractual obligations under this Agreement, the Contractor shall be responsible for paying the builder's risk insurance deductible(s) in connection with the foregoing loss(es).

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for

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validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish payment and performance bonds equal to 100% of the Contract Sum, or letters of credit in an amount and as required by the Funders, covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract. The bonds shall name each of the Funders as a dual obligee, and shall be reasonably acceptable to each of the Funders.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time. Approval of any material or Work at any time or stage of construction will not prevent its subsequent rejection within the one year warranty period for failure to conform to the requirements of the Contract Documents.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall ~~shall~~, at the Contractor's sole expense, promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. ~~During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty.~~ owner has actual knowledge of the condition. If the Contractor fails to correct nonconforming Work within a reasonable time during ~~that~~ this period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the

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~~other~~ other, and any such unconsented to assignment shall be null and void and of no force and effect. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. Project. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

~~Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice. All notices given under the Contract Documents shall be in writing and shall be deemed properly served: (i) if delivered in person or; (ii) one day after delivery via overnight courier (along with a fax sent on the same date as the notice was given to the courier service), service delivery charges prepaid, as follows:~~

If to the Owner:

See Exhibit F of A101

Attn:
Phone

With a copy to:

If to the Contractor:

Linn-Mathes, Inc.
304 S. Green Street
Chicago, Illinois 60607
Attn: Brad Mathes
Phone:

If to the Architect:

Fitzgerald Associates Architects, PC
912 West Lake Street
Chicago, IL 60607
Attn: Ron De La Cruz
Phone:

or to such other address or addressee as any party entitled to receive notice hereunder shall designate to all other parties in the manner provided herein for the service of notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

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§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

~~Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. Intentionally omitted.~~

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or

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- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 institutes or consents to proceedings requesting relief or arrangement under the Federal Bankruptcy Act or any similar or applicable federal or state law;
- .5 is the subject of a petition under any federal or state bankruptcy or insolvency law that is filed against the Contractor and such petition is not dismissed within ninety (90) days from the date of said filing;
- .6 admits in writing its inability to pay its debts generally as they become due;
- .7 makes a general assignment for the benefit of his creditors;
- .8 is replaced by receiver, liquidator, trustee or assignee who is appointed on account of the Contractor's bankruptcy or insolvency;
- .9 property, either in whole or in part, is subject to the authority of an appointed receiver;
- .10 abandons the Work;
- .11 submits an Application for Payment, sworn statement, waiver of lien, affidavit or document of any nature whatsoever which is intentionally falsified;
- .12 fails to make prompt payment to Subcontractors or for materials or labor or otherwise breaches its obligations under any Subcontract with a Subcontractor;
- .13 violates the conflict of interest policies applicable to the Chicago Housing Authority ("CHA") or Daniel E. Levin and The Habitat Company (the "Receiver") under applicable policies, laws and regulations, including those of HUD and the CHA;
- .14 takes any action (or omits to take an action) that is (1) the cause of a default by Receiver/CHA under (i) the Annual Contributions Contract between CHA and HUD, (ii) Development Fund or Capital Fund regulations applicable to CHA, (iii) the HOPE VI Grant Agreement applicable to the Project, or (2) the cause of or otherwise results in the revocation of a funding commitment from one of the Funders; or
- .15 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, Owner may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

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- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor-Contractor (but not any amounts relating to Contractor profit). If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. Owner may terminate this Agreement (in whole or in part) without cause upon written notice to Contractor, effective as of the date provided in said notice. In the event of any termination for convenience, Owner shall pay as the sole amount due to Contractor in connection with this Project all sums due for the following: (i) Work performed to date of termination, plus overhead and profit, (ii) any proven loss sustained by Contractor (such as termination fees, non-refundable deposits or cost of materials or equipment which the Contractor cannot return); (iii) reasonable demobilization costs, if applicable. Except as provided above, in no event shall any profit, fee or other compensation be paid or payable on the unperformed Work, except for an amount equal to 25% of the overhead and profit that would have been received by Contractor on the unperformed work. Such sums will be due and payable on the same conditions as set forth herein for final payment to the extent applicable. Upon receipt of such payment, the parties hereto shall have no further obligations to each other except for Contractor's obligations to perform corrective and/or warranty work and to indemnify Owner as provided in the Agreement. The Contractor agrees that each Subcontract and purchase order issued by it will reserve to the Contractor the same right of termination and assignment provided by this Section, and the Contractor further agrees to require that comparable provisions be included in all lower tier Subcontracts and purchase orders.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

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ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the ~~Contract~~ Contract prior to the time final payment is made. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given to the Owner and Architect before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given to the Owner and Architect. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary. Requests for an extension of the Contract Time shall be governed by Section 8.3 hereof.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were ~~abnormal~~ adverse for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- 1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- 2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when ~~applicable~~, applicable under Article 3 of the A101, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been

rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing ~~deadlines.~~ deadlines prior to resolution of the claim by the Architect, or by mediation.

Notwithstanding the existence of a bona fide dispute, Contractor shall continue to perform the Work so long as non-disputed amounts are paid by Owner. JPMorgan Chase Bank, N.A. has reserved the right to withhold funding for all Work if defective Work is discovered, until the defective Work is corrected.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation ~~as a condition precedent to binding dispute resolution.~~ (for a period of 60 days) as a condition precedent to the institution of legal or equitable proceedings by either party.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction

Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER

§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.

SUPPLEMENTAL CONDITIONS

THESE SUPPLEMENTAL CONDITIONS are being attached to, and incorporated by this reference in, that certain General Conditions of the Contract for Construction, AIA Document A201, 2007 Edition (the "A201 General Conditions") to the Construction Contract-Stipulated Sum (the "Agreement") made and entered into by and between Parkside Nine Phase II, LP ("Owner"); and Linn-Mathes, Inc. ("Contractor"), for the purpose of modifying certain terms and conditions of the General Conditions, as follows:

1. As used herein, the following non-grammatical capitalized terms shall have the meaning ascribed to them in the Agreement, the General Conditions, or as defined below:

"Contract Documents" shall have the meaning ascribed to it in the General Conditions and shall specifically include the following:

- (a) the Agreement;
- (b) the A201 General Conditions;
- (c) these Supplemental Conditions;
- (d) Standard form subcontract to be used by the Contractor (Exhibit I to Agreement);
- (e) Index of Construction Plans and Specifications attached to the Agreement as Exhibit A;
- (f) a legal description of the Property attached as Exhibit K to the Agreement (per A201 General Conditions Section 2.2.3);
- (g) Construction Schedule (Exhibit C to Agreement);
- (h) Schedule of Values (Exhibit D to Agreement);
- (i) City of Chicago Requirements (Exhibit B to Agreement);
- (j) Allowances (Exhibit E to Agreement);
- (k) Notice Provisions (Exhibit F to Agreement);
- (l) Funder Requirements Regarding Funding, Completion (Exhibit G to Agreement);
- (m) Form of Consent to Assignment (Exhibit H to Agreement);
- (n) CHA/Receiver Requirements (Exhibit J to Agreement);
- (o) Unit Schedule (Exhibit L to Agreement); and

(p) Clarifications, Assumptions and Exceptions (Exhibit M to Agreement).

2. The following shall be added to the end of Paragraph 10.2.2 of the General Conditions:

The Contractor shall be responsible to insure that each building is secured as set forth below. During working hours, the Contractor shall ensure that only authorized people are allowed entrance to the Work site; Owner and Contractor agree the following individuals are authorized for entrance: (i) employees or agents of the Owner, Funders, Architect or affiliates of the Owner; (ii) individuals inspecting the Work on behalf of any governmental entity or any entity listed in clause (i). At the conclusion of each working day, the Contractor shall ensure that all personnel are out of the Work site, and that the proper lights and other items of mechanical and electrical equipment are turned off. In addition, the Contractor shall provide the following security services as part of the lump sum contract price: (a) motion detectors; (b) a runner service; and (c) such other security devices and personnel as are required to provide appropriate Work site security. Contractor shall consult with Owner throughout the course of the Work and prior to Completion to determine the type, use and amount of security necessary for the Project, and Contractor shall receive the Owner's approval before changing the type, use or amount of security provided. Contractor shall be responsible for making sure that the security systems agreed to with the Owner are provided to the Project, and Contractor shall be deemed to have negligently failed to provide security if the Contractor does not provide, or fails to timely provide, the security services agreed upon by the Owner and Contractor. However, Contractor shall not be responsible for any negligent acts or omissions of any unaffiliated, Owner approved third-party security provider.

The Contractor shall provide temporary storage facilities to afford adequate protection for all materials and equipment, which temporary storage facilities shall be so located as not to interfere with and/or delay the construction operations contemplated hereby. Cementitious materials, aggregates and all masonry units shall be stored and protected as specified in the Plans and Specifications. Metal windows, door frames and bucks, millwork, mechanical equipment and other fabricated articles shall be stored under cover and kept clean and dry and shall be so placed as to prevent damage.

3. Paragraph 11.1 of the General Conditions shall be deleted and the following shall be inserted in lieu thereof:

"Until completion and final acceptance of the Work, the Contractor shall purchase and maintain Worker's Compensation Insurance, Employer's Liability Insurance, Direct Liability Insurance for Contractor's own operations, Contingent Liability Insurance for the operations of Subcontractors and Contractual Liability Insurance to insure the indemnifying portions of this Agreement, such insurance to include Bodily Injury Liability and Property Damage Liability. Certificates of such insurance (and CG 20 10 11 85, or CG2010 and CG2037 endorsements or equivalent endorsements to policy, with added primary wording on a-CG 20 26 endorsement to the policy)

shall be filed with the Owner and shall be subject to its approval for adequacy of protection and the satisfactory character of the insurer, but in no case shall they be less than the following limits:

- a. Workers Compensation Part A: Statutory;
- b. Employer's Liability Part B: One Million (\$1,000,000) Dollars Each Occurrence, One Million (\$1,000,000) Dollars Disease – Each Employee, One Million (\$1,000,000) Dollars Disease – Policy Limit
- c. Commercial General Liability (including Bodily Injury and Property Damage, Premises/Operations; Personal/Advertising Injury with employee and contractual exclusions deleted
- d. Independent Contractor's Protective; Products and Completed Operation; Contractual Liability, specifically referring to the indemnity obligations under and pursuant to the Agreement, subject to the standard industry terms, conditions, and exclusions of the policy; Broad Form Property Damage):

General Aggregate	\$2,000,000
Products/Completed Operations	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

- (i) Products and Completed Operations to be maintained for three (3) years after final payment. The General Contractor and Subcontractors shall procure and maintain all required insurance until the expiration of the project's warranty period and, with regard to Products/Completed Operation coverage, for 3 years after the final completion of the work. It is further agreed that the coverage afforded to the Additional Insureds shall exclude indemnification of the architect for claims arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, changes orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the architects, their agents or employees provided such giving or failure to give is the primary cause of the inquiry or damage.
 - (ii) There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from Property Damage Liability related to (X,C or U) explosion, collapse, or underground incidents as applicable.
 - (iii) CGL Policy shall contain a Per Project Aggregate endorsement
 - (iv) There shall be no exclusion for Injury to Independent Contractors of "any insured".
- e. Contractual Liability including the tort liability of another assumed in a business contract (to be covered by Commercial General Liability)

- f. Business Automobile Liability (no-fault) including liability for “Any Auto”, “Hired Autos”, and “Non-Owned Autos”; including Fellow Employee coverage. If the Contractor or Subs use autos in their work, the Auto Liability policy must also be endorsed to reflect the Additional Insured:

One Million (\$1,000,000) Dollars Combined Single Limit

- g. Subcontractor’s Insurance Requirements The Contractor shall either:
- (i) Require each of its Subcontractors to procure and to maintain insurance of the type specified for the Contractor herein in such amounts as may be appropriate, but not less than One Million Dollars (\$1,000,000), or
 - (ii) Insure the activities of its Subcontractors in its policy as specified herein.
- h. Excess Liability: Umbrella form extending coverage over the Commercial General Liability, Business Auto Liability, and Employers Liability policies on a Follow Form basis.
- i. Ten Million (\$10,000,000) Dollars Each Occurrence, Ten Million (\$10,000,000) Dollars Aggregate
- j. Contractor’s Pollution Liability (with limits of no less than Three Million Dollars (\$3,000,000) per claim and in the aggregate) Policy shall also include coverage while in Transit to a permanent disposal facility, whether such activities be by Owner or by the General Contractor or any of its subcontractors or by anyone directly or indirectly employed or otherwise contracted by any of them.
- k. Railroad Protective Liability Insurance (and if required, an adjustment to price will be necessary). This RPL coverage may be included by endorsement to the CGL policy required above or as a separate policy.

Two Million Dollars (\$2,000,000) Each Occurrence, and Six Million Dollars (\$6,000,000) Aggregate

All insurance required to be maintained by Contractor shall be written on an Occurrence Policy Form basis.

All such insurance described above shall include the Owner, the Funders, J.P. Morgan Trust Company, National Association, as trustee, Daniel E. Levin and The Habitat Company, LLC (not personally, but in their official capacity as receiver for the development of new, non-elderly public housing by the Chicago Housing Authority), the Architect, and any other entity associated with the project, such as grantor of permits, partners, investors, as required from time to time, as **additional insureds** for any and all claims arising out of the work performed by or on behalf of the Contractor for Owner, whether performed by the Contractor or any Subcontractor or Sub-Subcontractor retained by the Contractor or Subcontractor. All Additional Insureds must remain covered for at least three (3) years after the entire job is complete. Each such policy contain cross-liability coverage as provided under

standard ISO forms' separation of insureds clause. All such insurance shall be primary with respect to claims made by the additional insured, and any similar or additional insurance maintained by Owner shall be secondary and excess to that carried by Contractor or Subcontractor. Before commencing the Work, the Contractor shall furnish a certificate from its insurance carrier and all endorsements evidencing compliance with this section. The General Contractor shall also provide applicable endorsement and Certificate of Insurance satisfying the requirements in this paragraph including a (30) day written notice of cancellation or change of coverage on the CG20 10 11 85, CG 20 26 form. Any failure on the part of the Owner to insist upon the receipt of Certificates of Insurance and applicable endorsements is not a waiver of any rights that the Owner has under this paragraph. The Contractor will cause the Subcontractors to have similar coverages in the amount the Contractor feels is sufficient to cover their own interests.

If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment as required by Subparagraph 9.10.2. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

If Contractor fails to furnish and maintain insurance as required by this Paragraph 11.1, Owner may purchase such insurance on behalf of Contractor, and Contractor shall pay the cost hereof to Owner upon demand therefor and shall furnish to Owner any information needed to obtain such insurance. Insurance policies shall be kept in full force and effect until the date of final payment to Contractor for the Project, or portion thereof, designated herein, except the Products/Completed Operations coverage, which shall extend an additional three (3) years thereafter."

The Contractor shall require each Subcontractor and each Sub-Subcontractor to be adequately insured in accordance with this Agreement.

The obligations of the Contractor under the provisions of this article shall not extend to the liability of the Architect, his consultants, agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, plans, designs, or specifications, or (2) the giving of or the failure to give directions or instructions by the Architect, his agents or employees to the extent that such giving or failure to give is the cause of the injury or damage.

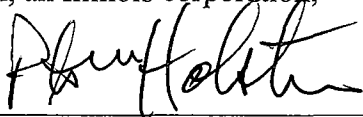
OWNER:

Parkside Nine Phase II, LP
an Illinois limited partnership

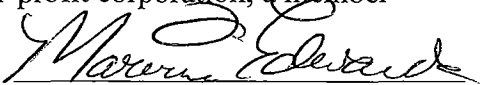
By: PARKSIDE NINE II, LLC,
an Illinois limited liability company
Its general partner

By: Parkside Associates, LLC,
an Illinois limited liability company,
its sole member

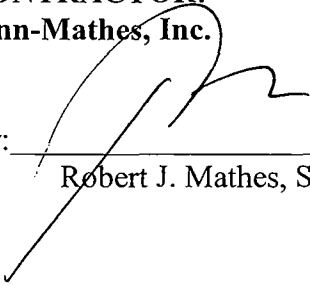
By: Holsten Real Estate Development
Corporation, an Illinois corporation,
a member

By: 
Name: Peter Holsten
Title: President

By: Cabrini Green LAC Community
Development Corporation, an Illinois
not-for-profit corporation, a member

By: 
Name: Marvin Edwards
Title: President

CONTRACTOR:
Linn-Mathes, Inc.

By: 
Robert J. Mathes, Senior Vice President

INDEX OF EXHIBITS TO CONSTRUCTION CONTRACT

- Exhibit A: Index of Construction Plans and Specifications
- Exhibit B: City of Chicago Requirements
 - B-1: Construction Contract Rider
 - B-2: Form HUD-4010
 - B-3: Applicable Wage Determination
- Exhibit C: Construction Schedule
- Exhibit D: Schedule of Values
- Exhibit E: Intentionally Deleted
- Exhibit F: Notice Provisions
- Exhibit G: Funder Requirements Regarding Funding, Completion
- Exhibit H: Form Consent to Assignment
- Exhibit I: Form of Subcontract
- Exhibit J: CHA Requirements
 - J-1: Contract Compliance Form
 - J-2: HUD General Terms and Conditions
 - J-3: Contractor/Subcontractor Certifications and Assurances
 - J-4: Consent and Agreement of Contractor
 - J-5: Form of Sworn Statement and Lien Waiver
 - J-6: Amendment to Special Conditions MBE/WBE Utilization Plan
 - J-7: Section 3 Requirements
- Exhibit K: Legal Description
- Exhibit L: Unit Schedule
- Exhibit M: Clarifications, Assumptions and Exceptions
- Exhibit N: Form of Payment and Performance Bond

Exhibit A

Index of Construction Plans and Specifications

(See attached)

LIST OF DRAWINGS								
SHEET NO.	DESCRIPTION	ISSUED FOR 50% CD	ISSUED FOR 75% CD	ISSUED FOR BID	ISSUED FOR PERMIT	ISSUED FOR CONSTRUCTION	REVISION NUMBER	REVISION DATE
A0-00	COVER SHEET	11/14/2008	8/14/2009	10/26/2009	10/5/2009		8	6/2/2009
A0-01	DRAWING LIST	11/14/2008	8/14/2009	10/26/2009	10/5/2009		1	11/16/2009
A0-02	GENERAL NOTES, LEGENDS, ABBREVIATIONS, SITE MAP	11/14/2008	8/14/2009	10/26/2009	10/5/2009		1	
A0-03	OVERALL SITE PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A0-04	SITE PLAN & FAR DIAGRAMS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A0-05	ASTM E-119 REPORT					11/16/2009		
CIVIL								
C1.0	DEMOLITION PLAN - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C2.0	DIMENSION PLAN - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C3.0	GRADING PLAN - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C3.1	ADA DESIGN - BUILDING #6			10/26/2009	10/5/2009			
C3.2	EROSION CONTROL PLAN - BUILDING #6			10/26/2009	10/5/2009			
C3.3	OPERATIONS AND MAINTENANCE PLANS				6/14/2010			
C4.0	UTILITY PLAN - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C5.0	DETAILS - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C5.1	DETAILS - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C5.2	DETAILS - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C5.3	DETAILS - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
C5.4	DETAILS - BUILDING #6	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
LANDSCAPE								
L1.00	LANDSCAPE PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
L2.00	PLANTING DETAILS AND PLANT LIST	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
L3.00	FENCE DETAILS / SITE DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
ARCHITECTURAL								
A1-01	FIRST FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-02	SECOND FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-03	THIRD FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-04	FOURTH THRU SIXTH FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-05	SEVENTH FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-06	EIGHTH FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-07	PENTHOUSE FLOOR PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-08	ROOF PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	NOT ISSUED	NOT ISSUED			
A1-09	DUPLEX FIRST & SECOND UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-10	DUPLEX FIRST & SECOND UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-11	3RD FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-12	3RD FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-13	3RD FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-14	3RD FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-15	4TH THRU 6TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-16	4TH THRU 6TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-17	4TH THRU 6TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-18	4TH THRU 6TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-19	7TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-20	7TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-21	7TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-22	7TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-23	8TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-24	8TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-25	8TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-26	8TH FLOOR UNIT PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-27	DUPLEX REFLECTED CEILING PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-28	DUPLEX REFLECTED CEILING PLANS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-29	3RD FLOOR REFLECTED CEILING PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-30	4TH - 6TH FLOOR REFLECTED CEILING PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-31	7TH FLOOR REFLECTED CEILING PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-32	8TH FLOOR REFLECTED CEILING PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-33	1ST FLOOR SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-34	2ND FLOOR SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-35	3RD FLOOR SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-36	4TH - 6TH FLOOR SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-37	7TH FLOOR SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-38	8TH FLOOR SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A1-39	PENTHOUSE SLAB EDGE PLAN @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A2-01	NORTH & EAST ELEVATIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A2-02	SOUTH & WEST ELEVATIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A2-03	SOUTH, SIDE & REAR ELEVATIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A2-04	PARTIAL ELEVATIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A2-05	ELEVATION MATERIAL LEGEND	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A2-06	PENTHOUSE ELEVATIONS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A3-01	BUILDING SECTIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A3-02	BUILDING SECTIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A3-03	BUILDING SECTIONS @ 1/8" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A3-04	EXTERIOR WALL SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A3-05	EXTERIOR WALL SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			

SHEET NO.	DESCRIPTION	ISSUED FOR 50% CD	ISSUED FOR 75% CD	ISSUED FOR BID	ISSUED FOR PERMIT	ISSUED FOR CONSTRUCTION	REVISION NUMBER	REVISION DATE
A3-06	EXTERIOR WALL SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A3-07	EXTERIOR WALL SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-01	STAIR #1 PLANS & SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-02	STAIR #2 & #3 PLANS & SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-03	TRASH CHUTE & ELEVATOR SECTIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-04	ACCESSIBLE NOTES	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-05	KITCHEN ELEVATIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-06	ACCESSIBLE KITCHEN ELEVATIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-07	ACCESSIBLE BATHROOM ELEVATIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-08	LOBBY FLOOR PLAN @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-09	LOBBY REFLECTED CEILING PLAN @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-10	LOBBY ELEVATIONS @ 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A4-11	CORRIDOR ELEVATIONS @ 1/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-01	EXTERIOR WALL DETAILS @ 1 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-02	EXTERIOR WALL DETAILS @ 1 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-03	EXTERIOR WALL DETAILS @ 1 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-04	EXTERIOR WALL DETAILS @ 1 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-05	ROOF DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-06	ROOF DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-07	COLUMN DETAILS @ 3/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-08	COLUMN DETAILS @ 3/4" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-09	FIRE SAFING DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-10	BALCONY DETAILS @ 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-11	BALCONY DETAILS @ 1/2" = 1'-0"	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-12	DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A5-13	BALCONY REFLECTED CEILING PLANS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A6-01	PARTITION SCHEDULE	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A6-02	DOOR & WINDOW SCHEDULE	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A6-03	SIGNAGE SCHEDULE	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A6-04	ROOM FINISH & UNIT SUMMARY SCHEDULE	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
A7-01	HEAD, JAMB, BASE & TRANSITION DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
STRUCTURAL								
S1	FOUNDATION & 1ST FLOOR FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S2	2ND FLOOR FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S3	3RD FLOOR FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S4	4TH, 5TH & 6TH FLOOR FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S5	7TH FLOOR FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S6	8TH FLOOR FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S7	ROOF FRAMING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S8	TYPICAL FOUNDATION DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S9	FOUNDATION DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S10	COLUMN SCHEDULE & DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S11	SHEAR WALL PLANS & DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S12	TYPICAL CONCRETE DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S13	GENERAL NOTES & CONCRETE BEAM SCHEDULES	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S14	CONCRETE DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S15	LINTEL ELEVATIONS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
S16	LINTEL ELEVATIONS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
MECHANICAL								
M0-1	CITY OF CHICAGO MECHANICAL CODE COMPLIANCE SHEET	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M0-2	CITY OF CHICAGO MECHANICAL CODE COMPLIANCE SHEET	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M0-3	CITY OF CHICAGO MECHANICAL CODE COMPLIANCE SHEET	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M0-4	CITY OF CHICAGO MECHANICAL CODE COMPLIANCE SHEET	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M0-5	CITY OF CHICAGO MECHANICAL CODE COMPLIANCE SHEET	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-1	MECHANICAL 1ST FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-2	MECHANICAL 2ND FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-3	MECHANICAL 3RD FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-4	MECHANICAL 4TH THRU 6TH FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-5	MECHANICAL 7TH FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-6	MECHANICAL 8TH FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M1-7	MECHANICAL ROOF PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M2-1	CHILLED & HEATING WATER PIPING RISER DIAGRAM	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M2-2	TOILET, DRYER EXHAUST, MAKE-UP AIR RISER DIAGRAMS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M3-1	HVAC DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M3-2	HVAC DETAILS	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M4-1	HVAC SCHEDULES	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M4-2	HVAC SCHEDULES	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M5-1	HVAC NOTES	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
M5-2	HVAC NOTES	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
PLUMBING								
P0-1	UNDERGROUND PLUMBING PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
P1-1	PLUMBING 1ST FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
P1-2	PLUMBING 2ND FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
P1-3	PLUMBING 3RD FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
P1-4	PLUMBING 4TH THRU 6TH FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			
P1-5	PLUMBING 7TH FLOOR PLAN	11/14/2008	8/14/2009	10/26/2009	10/5/2009			

Exhibit B

City of Chicago Requirements

(See attached)

B-1: Construction Contract Rider

B-2: Form HUD-4010

B-3: Applicable Wage Determination

B-1: Construction Contract Rider

(See Attached)

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 \$ _____ 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 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 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 applicable provisions are set forth in detail in Form HUD-4010 and the U.S. Secretary of Labor's wage determination, which are attached hereto and hereby made a part hereof. The Contractor shall comply with the provisions thereof and shall ensure that Form HUD-4010 and the U.S. Secretary of Labor's wage determination are attached to and incorporated in all bid specifications and subcontracts with respect to the Project, to the extent and as required in Form HUD-4010. In the event of any issues or disputes arising with respect to amounts due as wages to be paid in connection with the Project and/or as liquidated damages under the Contract Work Hours and Safety Standards Act, the Contractor agrees to execute, or cause the applicable subcontractor to execute, a Labor Standards Deposit Agreement (in the form attached hereto or such other form as shall be specified by the City) and to deposit, or cause to be deposited, funds in the amount designated by the City, to be held and disbursed as specified in such Labor Standards Deposit Agreement.

11. Housing Act Section 3. (a) As used in this Section 11, (1) "Housing Act Section 3" shall mean Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. Section 1701u, as amended, supplemented and restated from time to time; and (2) "Section 3 Regulations" shall mean 24 C.F.R. Part 135, and such additional regulations, orders, rulings, interpretations and directives in connection with Housing Act Section 3 as may be promulgated or issued by HUD from time to time.

(b) The Work is subject to the requirements of Housing Act Section 3. The purpose of Housing Act Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Housing Act Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income individuals, particularly individuals who are recipients of HUD assistance for housing.

(c) The Owner and the Contractor hereby agree to comply with the Section 3 Regulations in connection with the Work. As evidenced by their execution of the Agreement, the parties to the Agreement hereby certify that they are under no contractual or other impediment that would prevent them from complying with the Section 3 Regulations in connection with the Work.

(d) The Contractor hereby agrees to (1) send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, and which concerns workers whose positions are subject to compliance with the Section 3 Regulations in connection with the Work, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 11, and (2) post copies of the notice in conspicuous places at the Work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Housing Act Section 3 preference and shall set forth: (i) the minimum number of jobs and job titles subject to hire, the availability of apprenticeship and training positions, and the qualifications for each; (ii) the name and location of the person(s) taking applications for each of the positions; and (iii) the anticipated date the Work shall begin.

(e) The Contractor hereby agrees to (1) include the language contained in this Section 11 (substituting the terms "Subcontractor" and "Contractor" for the terms "Contractor" and "Owner," respectively, wherever the former terms appear in this Section 11) in every subcontract entered into by the Contractor in connection with the Work and subject to compliance with the Section 3 Regulations, and (2) take appropriate action, as provided in an applicable provision of such subcontract or in this Section 11, upon a finding that any person or entity with whom the

Contractor contracts is in violation of the Section 3 Regulations. The Contractor covenants and agrees that the Contractor shall not contract with any person or entity in connection with the Work where the Contractor has notice or knowledge that such person or entity has been found in violation of the Section 3 Regulations.

(f) The Contractor hereby certifies that any vacant employment positions in connection with the Work, including training positions, that were filled prior to the Closing Date (as defined in the Loan Agreement) and with persons or entities other than those to whom the Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under the Section 3 Regulations.

(g) Noncompliance with the Section 3 Regulations may result in sanctions, including, but not limited to, the declaration by the City of an event of default under the Loan Documents and the exercise by the City of its remedies thereunder, as well as debarment or suspension of the non-complying party from future HUD-assisted contracts.

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:

Parkside Nine Phase II, LP, an Illinois limited partnership


By: Parkside Nine II, LLC, an Illinois limited liability company, its general partner

By: Parkside Associates, LLC, An Illinois limited liability company, its sole member

Holsten Real Estate Development Corporation, an Illinois corporation a member

By: 
Name: Peter M. Holsten
Its: President

Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation

By: 
Name: Marvin Edwards
Its: President

CONTRACTOR:

Linn-Mathes, Inc., an Illinois corporation

By: Robert J. Mathes
Its: Senior Vice President

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: _____

SPECIFY THE TYPE OF MATERIALS TO BE DISPOSED OF:

LEGAL NAME OF LANDFILL / DISPOSAL SITE:

(The Contractor must provide the Commissioner or his / her designated representative with copies of all dump tickets, manifests, etc.)

LOCATION ADDRESS:

PHONE: ()

CONTACT PERSON:

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:

Address:

Authorized Signature:

Title:

Print Name: _____ Date:

Project Address:

Owner / Developer:

DCD USE ONLY

PROGRAM:

Multi-Unit E. H. A. P. Facade
 Single Family B. I. L. P.
Other: _____

Date Received: _____

B-2: Form HUD-4010

(See Attached)

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) **Equal employment opportunity.** The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

Date:	Project No:
	Project Name:

In order to induce the Department of Housing and Urban Development (HUD) to provide or complete the program assistance associated with this project while issues remain outstanding in connection with amounts that may be due as wages under the Davis-Bacon and Related Acts and/or as liquidated damages under the Contract Work Hours and Safety Standards Act, the undersigned (*Depositor*) submits confirmation of deposit, by electronic funds transfer, to the account specified by HUD in the amount of \$ _____.

Depositor agrees that this deposit is made shall be held by HUD for the purpose(s) and disposition(s) as indicated, below, and as indicated on the attached Schedule for Deposit: (HUD Labor Relations staff: Check boxes, below, as applicable to deposit.)

<input type="checkbox"/>	1.	Where there is no dispute as to the amount of unpaid wages due but <i>without awaiting receipt of evidence that the workers named on the attached Schedule have received the wages due them</i> , in the respective amounts listed on the Schedule for Deposit;
<input type="checkbox"/>	2.	Where HUD or the U.S. Department of Labor (DOL) has reason to believe that there may be unpaid wages due for work performed in the construction of the project but <i>without awaiting an administrative determination of the wages which may be due and unpaid</i> by employers named on the attached Schedule in the respective amounts estimated by HUD or DOL and listed on the Schedule for Deposit;
<input type="checkbox"/>	3.	Where HUD or DOL has made its determination of wages due but <i>without awaiting the outcome of an appeal which has been filed or is to be filed with HUD or DOL</i> by or on behalf of the <i>Depositor</i> , the principal contractor, subcontractor, other employer involved contesting the finding of HUD or DOL that wages for work performed in the construction of the project are due and unpaid to the workers named on the attached Schedule in respective amounts listed on the Schedule for Deposit; and/or
<input type="checkbox"/>	4.	Where <i>liquidated damages</i> have been calculated and/or assessed for overtime violations of the Contract Work Hours and Safety Standards Act, as reflected on the attached Schedule for Deposit.

Disposition of Deposit Account

Items 1 through 4: In all cases involving unpaid wages ultimately found due, wage payments will be made directly to the affected workers by the responsible employer or the *Depositor*, or by HUD from the funds submitted herewith. If the wages are paid to the affected workers by the responsible employer or the *Depositor*, a refund equal to the amount(s) paid shall be made to the *Depositor* as wage payment evidence, in the form of a certified payroll report(s), is provided to HUD. HUD will retain on behalf of affected employees any amount(s) deposited for wages found due that are not paid by the responsible employer or *Depositor*, and will also retain any liquidated damages that are assessed.

Where items 2, 3, and/or 4 have been checked, when the amount of unpaid wages has been finally determined by HUD or DOL, funds sufficient to pay the total gross amount of wages and any liquidated damages computed and/or assessed for overtime violations, as applicable, shall be held by HUD and the balance of the funds deposited, if any, shall be returned to the *Depositor*. If the final HUD or DOL determination and/or liquidated damages assessment is appealed, when the appellant and HUD or DOL have agreed on any amounts due or have exhausted any rights of appeal, funds sufficient to pay the total gross amount of the wages and any liquidated damages found due by the highest authority which has ruled in the matter shall be held by HUD, and the balance of the funds deposited, if any, shall be returned to the *Depositor*.

Depositor:	Street Address:
By: (signature)	City, State, Zip Code:
Name and Title:	Telephone Number:
Depositor Tax ID Number (required to process refund):	Deposit Ticket Number: LR- -DT- -

Schedule for Deposit (attached)

B-3: Applicable Wage Determination

(See Attached)

GENERAL DECISION: IL20100009 06/04/2010 IL9

Date: June 4, 2010

General Decision Number: IL20100009 06/04/2010

Superseded General Decision Number: IL20080009

State: Illinois

Construction Types: Building, Heavy, Highway and Residential

County: Cook County in Illinois.

BUILDING, RESIDENTIAL, HEAVY, AND HIGHWAY PROJECTS (does not include landscape projects).

Modification Number	Publication Date
0	03/12/2010
1	05/14/2010
2	06/04/2010

ASBE0017-001 06/01/2009

	Rates	Fringes
ASBESTOS WORKER/INSULATOR Includes the application of all insulating materials, protective coverings, coatings, and finishes to all types of mechanical systems.....	\$ 42.05	21.00
Fire Stop Technician.....	\$ 24.33	19.80
HAZARDOUS MATERIAL HANDLER includes preparation, wetting, stripping removal scrapping, vacuuming, bagging and disposal of all insulation materials, whether they contain asbestos or not, from mechanical systems.....	\$ 31.54	19.80

BOIL0001-001 07/01/2009

	Rates	Fringes
BOILERMAKER.....	\$ 40.97	18.97

BRIL0021-001 06/01/2009

	Rates	Fringes
BRICKLAYER.....	\$ 39.03	19.90

BRIL0021-004 06/01/2009

	Rates	Fringes
Marble Mason.....	\$ 39.03	19.90

BRIL0021-006 06/01/2009

	Rates	Fringes
TERRAZZO WORKER/SETTER.....	\$ 39.01	19.11
TILE FINISHER.....	\$ 33.60	15.22
TILE SETTER.....	\$ 38.63	15.34

BRIL0021-009 06/01/2009

	Rates	Fringes
MARBLE FINISHER.....	\$ 29.10	19.90

BRIL0021-012 06/01/2009

	Rates	Fringes
Pointer, cleaner and caulker.....	\$ 39.20	18.51

CARP0555-001 06/01/2009

	Rates	Fringes
CARPENTER Carpenter, Lather, Millwright, Piledriver, and Soft Floor Layer.....	\$ 40.77	20.13

CARP0555-002 10/01/2009

	Rates	Fringes
CARPENTER (Excluding structures with elevators and structures over 3 1/2 stories)...	\$ 35.37	20.12

ELEC0009-003 05/25/2009

	Rates	Fringes
Line Construction Groundman.....	\$ 31.08	58.18%
Lineman and Equipment Operator.....	\$ 39.85	58.18%

ELEC0134-001 06/02/2008

	Rates	Fringes
ELECTRICIAN.....	\$ 39.40	20.32

ELEC0134-002 04/01/1998

	Rates	Fringes
ELECTRICIAN CLASS "B".....	\$ 20.71	2.975+a+b

CLASS B SCOPE OF WORK:

Install magnetic or electronic replacement ballasts either singly or in groups including necessary wiring within fixture; Install replacement lamp holders and/or sockets

including necessary wiring within fixture including relocating sockets within fixture; Install replacement lighting circuit breakers where necessary; Install replacement lighting switches where necessary; Repair lighting fixtures other than ballast or socket replacements; Rewire chandeliers or incandescent fixtures only within fixtures themselves.

FOOTNOTES:

a-Paid Vacation- Employees who have been employed for one year but less than three years receive 1 week of paid vacation; employees who have been employed three years but less than ten years receive 2 weeks of paid vacation; Employees who have been employed ten years but less than twenty years receive 3 weeks of paid vacation; and employees who have worked twenty or more years receive 4 weeks of paid vacation.

b-Funeral Leave-In the instance of the death of a mother, other-in-law-; father, father-in-law, sister, brother, husband, wife, or a child of an employee shall receive up to three days of paid funeral leave.

ELEC0134-003 06/07/2004

	Rates	Fringes
ELECTRICIAN		
ELECTRICAL TECHNICIAN.....	\$ 30.89	12.59

The work shall consist of the installation, operation, inspection, maintenance, repair and service of radio, television, recording, voice sound vision production and reproduction, telephone and telephone interconnect, facsimile, data appatatus, coaxial, fibre optic and wireless equipment, appliances and systems used for the transmission and reception of signals of any nature, business, domestic, commercial, education, entertainment and residential purposes, including but not limited to communication and telephone, electronic and sound equipment, fibre optic and data communication systems, and the performance of any task directly related to such installation or service whether at new or existing sites, such tasks to include the placing of wire and cable and electrical power conduit or other raceway work within the equipment room and pulling wire and/or cable through conduit and the installation of any incidental conduit.

ELEV0002-003 01/01/2010

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 46.16	20.035+A+B

FOOTNOTES:

A. Eight paid holidays: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Day after Thanksgiving; Veterans' Day and Christmas Day.

B. Employer contributes 8% of regular basic hourly rate as vacation pay credit for employees with more than 5 years of service; and 6% for 6 months to 5 years of service.

* ENGI0150-006 06/01/2009

Building and Residential Construction

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 45.10	22.80
GROUP 2.....	\$ 43.80	22.80
GROUP 3.....	\$ 41.25	22.80
GROUP 4.....	\$ 39.50	22.80

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Mechanic; Asphalt Plant*; Asphalt Spreader; Autograde*; Backhoes with Caisson attachment*; Batch Plant*; Benoto(Requires two Engineers); Boiler and Throttle Valve; Caisson Rigs*; Central Redi-Mix Plant*; Combination Backhoe Front Endloader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted)*; Concrete Conveyor; Concrete Conveyor, Truck Mounted; Concrete Paver over 27E cu. ft.*; Concrete Paver 27E cu ft and Under*; Concrete Placer*; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes*; Cranes, Hammerhead*; Cranes, (GCI and similar type Requires two operators only); Creter Crane; Crusher, Stone, etc; Derricks; Derricks, Traveling*; Formless Curb and Gutter Machine*; Grader, Elevating; Grouting Machines; Highlift Shovels or Front Endloader 2 1/4 yd. and over; Hoists, Elevators, Outside Type Rack and pinion and similar Machines; Hoists, One, Two, and Three Drum; Hoists, Two Tugger One Floor; Hydraulic Backhoes*; Hydraulic Boom Trucks; Hydraulic Vac (and similar equipment); Locomotives; Motor Patrol*; Pile Drivers amd Skid Rig*; Post Hole Digger; Pre- Stress Machine; Pump Cretes Dual Ram(Requiring frequent Lubrication and Water); Pump Cretes; Squeeze Cretes-Screw Type Pumps Gypsum Bulker and Pump; Raised and Blind Hole Drill*; Roto Mill Grinder (36" and Over)*; Roto Mill Grinder (Less Than 36")*; Scoops-Tractor Drawn; Slip-Form Paver*; Straddle Buggies; Tournapull; Tractor with Boom, and Side Boom; and Trenching Machines*.

GROUP 2: Bobcat (over 3/4 cu yd); Boilers; Broom, Power Propelled; Bulldozers; Concrete Mixer (Two Bag and over); Conveyor, Portable; Forklift Trucks; Greaser Engineer; Highlift Shovels or Front End loaders under 2 1/4 cu yd; Aotomatic Hoists, Hoists, Inside Elevators; Hoists, Sewer Dragging Machine; Hoists, Tugger Single Drum; Laser Screed; Rock Drill (Self-Propelled); Rock Drill (Truck Mounted)*; Rollers; Steam Generators; Tractors; Tractor Drawn Vibratory Roller (Receives an additional \$.50 per hour); Winch Trucks with "A" Frame.

GROUP 3: Air Compressor-Small 250 and Under (1 to 5 not to exceed a total of 300 ft); Air Compressor-Large over 250; Combination-Small Equipment Operator; Generator- Small 50 kw and under; Generator-Large over 50 kw; Heaters, Mechanical; Hoists, Inside Elevators (Remodeling or Renovatin work); Hydrualic Power Units (Pile Driving, Extracting, and Drilling); Low Boys; Pumps Over 3" (1 To 3 not to exceed a total of 300 ft); Pumps, Well Points; Welding Machines (2 through 5); Winches, 4 Small Electric Drill Winches; Bobcat (up to and including 3/4 cu yd)

GROUP 4 - Bobcats and/or other Skid Steer Loaders; Brick Forklifts; Oilers

*-Requires Oiler

* ENGI0150-025 06/01/2009

Heavy and Highway Construction

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 43.30	22.80
GROUP 2.....	\$ 42.75	22.80
GROUP 3.....	\$ 40.70	22.80
GROUP 4.....	\$ 39.30	22.80
GROUP 5.....	\$ 38.10	22.80

POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant*; Asphalt Heater and Planer combination; Asphalt Heater Scarfire*, Asphalt Spreader; Autograder/ GOMACO or similar; ABG Paver*, Backhoes with Caisson attachment*, Ballast Regulator, Belt Loader*; Caisson Rigs*Car Dumper, Central Redi-Mix Plant*, Combination Backhoe; Front End Loader Machine (1 cu yd or over Backhoe bucket or with attachments); Concrete Breaker (truck mounted); Concrete Conveyor; Concrete Paver over 27E cu ft*; Concrete Placer*; Concrete Tube Float; Cranes, all attachments*; Cranes, Hammerhead, Linden, Peco and machines of a like nature*; Creter Crane; Crusher, stone; All Derricks; Derrick Boats; Derricks, traveling*; Dowell Machine with Air Compressor (\$1.00 above Class 1); Dredges*; Field Mechanic Welder; Formless Curb and Gutter Machine*; Gradall and machines of a like nature*; Grader, Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol, Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver mounted*; Hoists, one, two, and three Drum; Hydraulic Backhoes*; Backhoes with Shear attachments*; Mucking Machine; Pile Drivers and Skid Rig*; Pre-Stress Machine; Pump Cretes Dual Ram (requires frequent lubrication and water)*; Rock Drill- Crawler or Skid Rig*; Rock Drill truck mounted*; Rock/ Track Tamper; Roto Mill Grinder, (36" and over)*; Slip-Form Paver*; Soil Test Drill Rig, truck mounted*; Straddle Buggies; Hydraulic Telescoping Form (tunnel); Tractor Drawn Belt Loader*; Tractor Drawn Belt Loader with attached Pusher (two engineers); Tractor with boom; Tractaire with attachment; Traffic Barrier Transfer Machine*; Trenching Machine; Truck Mounted Concrete Pump with boom*; Underground Boring and/or Mining Machines 5 ft in diameter and over tunnel, etc.*; Wheel Excavator* & Widener (Apsco); Raised or Blind Hoe Drill, Tunnel & Shaft*

GROUP 2: Batch Plant*; Bituminous Mixer; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, (less than 1 cu yd Backhoe Bucket with attachments); Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine; Burlap Machine; Belting Machine and Sealing Machine; Concrete

Wheel Saw; Conveyor Muck Cars (Haglund or similar type); Drills (all); Finishing Machine-Concrete; Greaser Engineer; Highlift Shovels or Front End Loader; Hoist- Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Hydro-Blaster (requires two operators); Laser Screed*; Locomotives, Dinky; Off-Road Hauling Units (including articulating); Pump Cretes; Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, self-Propelled; Scoops-Tractor Drawn; Self-propelled Compactor; Spreader-Chip-Stone; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to Group 2 hourly rate for each hour and for each machine attached thereto add \$1.00 to Group 2 hourly rate for each hour); Tank Car Heater; Tractors, Push, pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 250 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 250; Combination - Small Equipment Operator; Directional Boring Machine; Generators - Small 50 kw and under; Generators - Large , over 50 kw; Heaters, Mechanical; Hydraulic power unit (Pile Driving, Extracting or Drilling); Light Plants (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches;

GROUP 5: Bobcats (All); Brick Forklifts; Oilers; Directional Boring

*Requires Oiler

IRON0001-026 06/01/2009

	Rates	Fringes
IRONWORKER		
Sheeter.....	\$ 41.00	27.24
Structural and Reinforcing..	\$ 40.75	27.24

IRON0063-001 06/01/2009

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 39.20	22.99

IRON0063-002 06/01/2009

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 32.15	18.43

 IRON0136-001 07/01/2009

	Rates	Fringes
IRONWORKER		
Machinery Movers and Riggers.....	\$ 37.25	25.54
Master Riggers.....	\$ 39.75	25.54

 LABO0002-006 06/01/2008

	Rates	Fringes
LABORER (BUILDING & RESIDENTIAL)		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 34.75	15.27
GROUP 3.....	\$ 34.825	15.27
GROUP 4.....	\$ 34.85	15.27
GROUP 5.....	\$ 34.90	15.27
GROUP 6.....	\$ 34.95	15.27
GROUP 7.....	\$ 34.975	15.27
GROUP 8.....	\$ 34.975	15.27
GROUP 9.....	\$ 35.025	15.27
GROUP 10.....	\$ 35.20	15.27
GROUP 11.....	\$ 35.025	15.27
GROUP 12.....	\$ 35.75	15.27

LABORER CLASSIFICATIONS

GROUP 1: Building Laborers; Plasterer Tenders; Pumps for Dewatering; and other unclassified laborers.

GROUP 2: Fireproofing and Fire Shop laborers.

GROUP 3: Cement Gun.

GROUP 4: Chimney over 40 ft.; Scaffold Laborers.

GROUP 5: Cement Gun Nozzle Laborers (Gunite); Windlass and capstan person.

GROUP 6: Stone Derrickmen & Handlers.

GROUP 7: Jackhammermen; Power driven concrete saws; and other power tools.

GROUP 8: Firebrick & Boiler Laborers.

GROUP 9: Chimney on fire brick; Caisson diggers; & Well Point System men.

GROUP 10: Boiler Setter Plastic Laborers.

GROUP 11: Jackhammermen on fire brick work only.

GROUP 12: Dosimeter use (any device) monitoring nuclear exposure); Asbestos Abatement Laborer; Toxic and Hazardous Waste Removal Laborers.

 LABO0002-007 06/01/2008

	Rates	Fringes
LABORER (HEAVY & HIGHWAY)		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 35.025	15.27
GROUP 3.....	\$ 34.90	15.27
GROUP 4.....	\$ 35.025	15.27
GROUP 5.....	\$ 35.75	15.27

LABORER CLASSIFICATIONS

GROUP 1: Common laborer; Tenders; Material expeditor (asphalt plant); Street paving, Grade separation, sidewalk, curb & gutter, strippers & All laborers not otherwise mentioned

GROUP 2: Ashpalt tampers & smoothers; Cement gun laborers

GROUP 3: Cement Gun Nozzle (laborers), Gunite

GROUP 4: Rakers, Lutemen; Machine-Screwmen; Kettlemen; Mixermen; Drun-men; Jackhammermen (asphalt); Paintmen; Mitre box spreaders; Laborers on birch, overman and similar spreader equipment; Laborers on APSCO; Laborers on air compressor; Paving Form Setter; Jackhammermen (concrete); Power drive concrete saws; other power tools.

GROUP 5: Asbestos Abatement Laborers; Toxic and Hazardous Waste Removal Laborers, Dosimeter (any device) monitoring nuclear exposure

LABO0002-008 06/01/2008

	Rates	Fringes
LABORER (Compressed Air)		
0 - 15 POUNDS.....	\$ 35.75	15.27
16 - 20 POUNDS.....	\$ 36.25	15.27
21 - 26 POUNDS.....	\$ 36.75	15.27
27 - 33 POUNDS.....	\$ 37.75	15.27
34 - AND OVER.....	\$ 38.75	15.27
LABORER (Tunnel and Sewer)		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 34.875	15.27
GROUP 3.....	\$ 34.975	15.27
GROUP 4.....	\$ 35.10	15.27
GROUP 5.....	\$ 35.75	15.27

LABORER CLASSIFICATIONS (TUNNEL)

GROUP 1: Cage tenders; Dumpmen; Flagmen; Signalmen; Top laborers

GROUP 2: Air hoist operator; Key board operator; concrete laborer; Grout; Lock tenders (Free Air Side); Steel setters; Tuggers; Switchmen; Car pusher

GROUP 3: Concrete repairmen; Lock tenders (pressure side); Mortar men; Muckers; Grout machine operators; Track layers

GROUP 4: Air trac drill operator; Miner; Bricklayer tenders; Concrete blower operator; Drillers; Dynamiters; Erector operator; Form men; Jackhammermen; Powerpac; Mining machine

operators; Mucking machine operator; Laser beam operator; Liner plate and ring setters; Shield drivers; Power knife operator; Welder- burners; Pipe jacking machine operator; skimmers; Maintenance technician

GROUP 5: Asbestos abatement laborer; Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

LABORER CLASSIFICATIONS (SEWER)

GROUP 1: Signalmen; Top laborers and All other laborers

GROUP 2: Concrete laborers and Steel setters

GROUP 3: Cement carriers; Cement mixers; Concrete repairmen; Mortar men; Scaffold men; Second Bottom men

GROUP 4: Air trac drill operator; Bottom men; Bracers-bracing; Bricklayer tenders; Catch basin diggers; Drainlayers; dynamiters; Form men; Jackhammermen; Powerpac; Pipelayers; Rodders; Welder-burners; Well point systems men

GROUP 5: Asbestos abatement laborer, Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

LABO0225-001 06/01/2008

	Rates	Fringes
LABORER (DEMOLITION/WRECKING)		
GROUP 1.....	\$ 28.45	15.52
GROUP 2.....	\$ 34.75	15.52
GROUP 3.....	\$ 34.75	15.52

LABORER CLASSIFICATIONS

GROUP 1 - Complete Demolition

GROUP 2 - Interior Wrecking and Strip Out Work

GROUP 3 - Asbestos Work with Complete Demolition/Wrecking or Strip Out Work

PAIN0014-001 06/01/2009

	Rates	Fringes
PAINTER (including taper).....	\$ 38.00	18.44

PAIN0027-001 06/01/2009

	Rates	Fringes
GLAZIER.....	\$ 37.00	22.88

PLAS0005-002 07/01/2009

	Rates	Fringes
PLASTERER.....	\$ 38.55	19.14

PLAS0502-001 06/01/2009

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 41.85	18.63

PLUM0130-001 06/01/2008

	Rates	Fringes
PLUMBER.....	\$ 43.00	16.20

* PLUM0597-002 06/01/2010

	Rates	Fringes
PIPEFITTER.....	\$ 43.15	24.08

ROOF0011-001 12/01/2009

	Rates	Fringes
ROOFER.....	\$ 37.00	13.85

SFIL0281-001 01/01/2008

	Rates	Fringes
SPRINKLER FITTER.....	\$ 40.50	16.00

SHEE0073-001 01/01/2007

	Rates	Fringes
Sheet Metal Worker.....	\$ 36.96	17.42

SHEE0073-002 01/01/2007

	Rates	Fringes
Sheet Metal Worker ALUMINUM GUTTER WORK.....	\$ 24.03	17.42

* TEAM0731-001 06/01/2008

COOK COUNTY - HEAVY AND HIGHWAY

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 30.70	12.35
4 Axles.....	\$ 30.95	12.35
5 Axles.....	\$ 31.15	12.35
6 Axles.....	\$ 31.35	12.35

FOOTNOTES:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3

years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

C. An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Aalls; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - *Truck Welder and *Truck Painter*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

* TEAM0786-001 06/01/2008

COOK COUNTY - BUILDING AND RESIDENTIAL

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 31.33	.10+a
4 Axles.....	\$ 31.58	.10+a
5 Axles.....	\$ 31.78	.10+a
6 Axles.....	\$ 31.98	.10+a

FOOTNOTES:

a. \$463.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Forl Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - *Truck Welder and *Truck Painter*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.
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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

Exhibit C

Construction Schedule

(See attached)

ID	Task Name	Duration	Start	Finish	Q3 '10			Q4 '10			Q1 '11			Q2 '11			Q3 '11			Q4 '11		
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	CONSTRUCTION PHASE	375 days	Thu 07/01/10	Thu 12/29/11																		
2	FOUNDATION & STRUCTURE	208 days	Thu 07/01/10	Fri 04/29/11																		
75	ENCLOSURE	216 days	Fri 01/14/11	Tue 11/22/11																		
133	BASE BUILDING MEP's & MISC.	105 days	Fri 01/14/11	Tue 06/14/11																		
167	VERTICAL TRANSPORTATION	151 days	Mon 01/31/11	Thu 09/01/11																		
173	INTERIOR CONSTRUCTION	194 days	Fri 01/14/11	Thu 10/20/11																		
378	HOIST BAY FINISHES	50 days	Fri 09/02/11	Tue 11/15/11																		
385	SITE WORK	122 days	Thu 05/12/11	Thu 11/03/11																		
397	CLOSING / OCCUPANCIES	50 days	Tue 10/18/11	Thu 12/29/11																		
398	CO Inspects - Duplexes & Parking (1st & 2nd)	5 days	Fri 10/21/11	Thu 10/27/11																		
399	Occupancy - Duplexes & Parking (1st & 2nd)	0 days	Thu 10/27/11	Thu 10/27/11																		
400	CO Inspects - 3rd & 4th Floors	5 days	Tue 10/18/11	Mon 10/24/11																		
401	Occupancy - 3rd & 4th Floors	0 days	Mon 10/24/11	Mon 10/24/11																		
402	CO Inspects - 5th & 6th Floors	5 days	Tue 11/08/11	Tue 11/15/11																		
403	Occupancy - 5th & 6th Floors	0 days	Tue 11/15/11	Tue 11/15/11																		
404	CO Inspects - 7th	5 days	Thu 12/01/11	Wed 12/07/11																		
405	Occupancy - 7th	0 days	Wed 12/07/11	Wed 12/07/11																		
406	CO Inspects - 8th Floor	5 days	Thu 12/22/11	Thu 12/29/11																		
407	Occupancy - 8th Floor	0 days	Thu 12/29/11	Thu 12/29/11																		

Project: PS,Bldg6-ProjectSchedule
Date: Tue 05/11/10

Task

Split

Progress

Milestone

Summary

Project Summary

External Tasks

External Milestone

Deadline

Exhibit D

Schedule of Values

(See attached)

Development Title: Parkside of Oldtown Rental Building # 6				Date:	June 3, 2010
Buildings: 544 W. Oak Street, Chicago, IL 60610				Payment Application #:	001
Owner: Parkside Nine Phase II LP				Period from:	Initial
Architect: Fitzgerald Associates Architects				Change Order #s:	
Contractor: Linn-Mathes Inc.				LMI Job #:	0960

Contractor	Adjusted Total Contract Including Change Orders	Work Completed & Material Stored		Total Retained including this Application	Previously Paid	Net Amount Now Due Col. 3 Minus (Cols. 4 + 5)	Balance to Become Due Col. 2 Minus (Cols. 5 + 6)
		%	Dollar Value				
LINN-MATHES, INC. 309 S GREEN STREET CHICAGO, IL 60607 GENERAL REQUIREMENTS	\$1,075,255	0.00%	\$0	\$0	\$0	\$0	\$1,075,255
LINN-MATHES, INC. 309 S GREEN STREET CHICAGO, IL 60607 SITE PREPARATION	\$309,408	0.00%	\$0	\$0	\$0	\$0	\$309,408
HAYWARD BAKER 1350 W. LAKE STREET ROSELLE, IL 60172 EARTH RETENTION	\$68,000	0.00%	\$0	\$0	\$0	\$0	\$68,000
II IN ONE CONTRACTORS 4344 W. 45TH STREET CHICAGO, IL 60632 EARTHWORK	\$479,000	0.00%	\$0	\$0	\$0	\$0	\$479,000
CASE FOUNDATIONS 1325 W. LAKE STREET ROSELLE, IL 60172 CAISSONS	\$557,746	0.00%	\$0	\$0	\$0	\$0	\$557,746
NOT LET PAVING & SURFACING	\$22,777	0.00%	\$0	\$0	\$0	\$0	\$22,777
NOT LET SITE CONCRETE	\$263,588	0.00%	\$0	\$0	\$0	\$0	\$263,588
LPS PAVEMENT 67 STONEHILL ROAD OSWEGO, IL 60543 BRICK PAVERS	\$68,830	0.00%	\$0	\$0	\$0	\$0	\$68,830
NOT LET PLAYGRND SURFACE & EQUIP.	\$34,457	0.00%	\$0	\$0	\$0	\$0	\$34,457
EWING DOHERTY 304 N. YORK ROAD BENSENVILLE, IL 60106 SITE PLUMBING	\$157,960	0.00%	\$0	\$0	\$0	\$0	\$157,960
NOT LET SITE ELECTRIC	\$128,826	0.00%	\$0	\$0	\$0	\$0	\$128,826
NOT LET LAWN SPRINKLERS	\$28,642	0.00%	\$0	\$0	\$0	\$0	\$28,642
NOT LET SITE FENCING	\$103,058	0.00%	\$0	\$0	\$0	\$0	\$103,058
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 SITE FURNISHINGS	\$40,184	0.00%	\$0	\$0	\$0	\$0	\$40,184
NOT LET LANDSCAPING	\$230,551	0.00%	\$0	\$0	\$0	\$0	\$230,551
II IN ONE CONST.							

Development Title: Parkside of Oldtown Rental Building # 6					Date:	June 3, 2010	
Buildings: 544 W. Oak Street, Chicago, IL 60610					Payment Application #:	001	
Owner: Parkside Nine Phase II LP					Period from:	Initial	
Architect: Fitzgerald Associates Architects					Change Order #'s:		
Contractor: Linn-Mathes Inc.					LMI Job #:	0960	

Contractor	Adjusted Total Contract Including Change Orders	Work Completed & Material Stored		Total Retained including this Application	Previously Paid	Net Amount	Balance to
		%	Dollar Value			Col. 3 Minus (Cols. 4 + 5)	Col. 2 Minus (Cols. 5 + 6)
4344 W. 45TH STREET CHICAGO, IL 60632 CONCRETE	\$6,086,000	0.00%	\$0	\$0	\$0	\$0	\$6,086,000
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 MISC. CONC.& ACSS'Y.	\$154,904	0.00%	\$0	\$0	\$0	\$0	\$154,904
TO BE LET MASONRY	\$1,294,455	0.00%	\$0	\$0	\$0	\$0	\$1,294,455
LEGNA IRON WORKS 80 W. CENTRAL AVENUE ROSELLE, IL 60172 MISC. METALS	\$352,737	0.00%	\$0	\$0	\$0	\$0	\$352,737
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 ALUM.CHANNELS/METAL PANELS	\$181,637	0.00%	\$0	\$0	\$0	\$0	\$181,637
STERLING DULA 2250 POWELL AVENUE ERIE, PA 16506 BALCONY RAILS & DIVIDERS	\$145,900	0.00%	\$0	\$0	\$0	\$0	\$145,900
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 CARPENTRY	\$1,102,183	0.00%	\$0	\$0	\$0	\$0	\$1,102,183
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 WATER/FIRE PRUF, INSUL, CAULK	\$249,260	0.00%	\$0	\$0	\$0	\$0	\$249,260
NOT LET METAL SIDING	\$334,100	0.00%	\$0	\$0	\$0	\$0	\$334,100
A-1 ROOFING 1425 CHASE ELK GROVE VILLAGE, IL 60007 ROOFING & RELATED SHT.METAL	\$398,000	0.00%	\$0	\$0	\$0	\$0	\$398,000
NOT LET BALCONY & GARAGE COATINGS	\$117,203	0.00%	\$0	\$0	\$0	\$0	\$117,203
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 DRS, FRMS, HDWRE	\$635,586	0.00%	\$0	\$0	\$0	\$0	\$635,586
NOT LET OVERHEAD SECTIONAL DOOR	\$28,900	0.00%	\$0	\$0	\$0	\$0	\$28,900
US ARCH. GLASS & METAL 8404 S. WILMETTE AVE., UNIT G DARIEN, IL STOREFRONTS	\$313,449	0.00%	\$0	\$0	\$0	\$0	\$313,449
NATHAN LINN & SONS, INC.							

Development Title: Parkside of Oldtown Rental Building # 6					Date:	June 3, 2010
Buildings: 544 W. Oak Street, Chicago, IL 60610					Payment Application #:	001
Owner: Parkside Nine Phase II LP					Period from:	Initial
Architect: Fitzgerald Associates Architects					Change Order #'s:	
Contractor: Linn-Mathes Inc.					LMI Job #:	0960

Contractor Work/Material Contracted for	Adjusted Total Contract Including	Work Completed & Material Stored		Total Retained	Previously Paid	Net Amount	Balance to
	Change Orders	%	Dollar Value	including this Application		Now Due Col. 3 Minus (Cols. 4 + 5)	Become Due Col. 2 Minus (Cols. 5 + 6)
309 S. GREEN STREET CHICAGO, IL 60607 WINDOWS & BALCONY DOORS	\$997,193	0.00%	\$0	\$0	\$0	\$0	\$997,193
MSM SOLUTIONS 855 E. 22ND STREET, # 305 LOMBARD, IL 60148 DRYWALL	\$2,235,000	0.00%	\$0	\$0	\$0	\$0	\$2,235,000
NOT LET FLOOR COVERINGS	\$383,003	0.00%	\$0	\$0	\$0	\$0	\$383,003
MSM SOLUTIONS 855 E. 22ND STREET, # 305 LOMBARD, IL 60148 PAINTING	\$515,000	0.00%	\$0	\$0	\$0	\$0	\$515,000
NOT LET PAINTING	\$28,022	0.00%	\$0	\$0	\$0	\$0	\$28,022
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 SPECIALTIES	\$179,348	0.00%	\$0	\$0	\$0	\$0	\$179,348
AMERICAN CHUTE SYSTEMS 603 E. WASHINGTON STREET JOLIET, IL 60433 CHUTES & COMPACTORS	\$42,880	0.00%	\$0	\$0	\$0	\$0	\$42,880
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 RESIDENTIAL APPLIANCES	\$212,478	0.00%	\$0	\$0	\$0	\$0	\$212,478
NATHAN LINN & SONS, INC. 309 S. GREEN STREET CHICAGO, IL 60607 CASEWORK & COUNTER TOPS	\$278,985	0.00%	\$0	\$0	\$0	\$0	\$278,985
COMMONS MANUFACTURING 2041 W. CARROLL AVE., #C128 CHICAGO, IL 60612 WINDOW TREATMENTS	\$44,369	0.00%	\$0	\$0	\$0	\$0	\$44,369
NOT LET FA, SECURITY, LOVO, INTERCOM	\$466,586	0.00%	\$0	\$0	\$0	\$0	\$466,586
U.S. FIRE PROTECTION 28427 N. BALLARD, UNIT H LAKE FOREST, IL 60045 FIRE PROTECTION	\$504,745	0.00%	\$0	\$0	\$0	\$0	\$504,745
OTIS 949 OAK CREEK DRIVE LOMBARD, IL 60148 TRACTION ELEVATORS	\$359,000	0.00%	\$0	\$0	\$0	\$0	\$359,000
DME ACCESS 1717 INDUSTRIAL DRIVE MONTGOMERY, IL ROPED HYDRAULIC ELEVATORS	\$53,636	0.00%	\$0	\$0	\$0	\$0	\$53,636

Development Title: Parkside of Oldtown Rental Building # 6				Date:	June 3, 2010
Buildings: 544 W. Oak Street, Chicago, IL 60610				Payment Application #:	001
Owner: Parkside Nine Phase II LP				Period from:	Initial
Architect: Fitzgerald Associates Architects				Change Order #'s:	
Contractor: Linn-Mathes Inc.				LMI Job #:	0960

Contractor Work/Material Contracted for	Adjusted Total Contract	Work Completed & Material Stored		Total Retained	Previously Paid	Net Amount	Balance to
	Including Change Orders	%	Dollar Value	including this Application		Now Due Col. 3 Minus (Cols. 4 + 5)	Become Due Col. 2 Minus (Cols. 5 + 6)
EWING-DOHERTY MECH. 304 N. YORK ROAD BENSENVILLE, IL 60106 PLUMBING	\$1,578,640	0.00%	\$0	\$0	\$0	\$0	\$1,578,640
ADVANCE MECHANICAL 2080 S. CARBOY MT. PROSPECT, IL 60056 HVAC	\$1,536,000	0.00%	\$0	\$0	\$0	\$0	\$1,536,000
TAYLOR ELECTRIC 4145 W. KINZIE CHICAGO, IL 60624 ELECTRICAL	\$2,150,200	0.00%	\$0	\$0	\$0	\$0	\$2,150,200
LINN-MATHES INC. 309 S. GREEN STREET CHICAGO, IL 60607 INSURANCE	\$198,958	100.00%	\$198,958	\$0	\$0	\$198,958	\$0
LINN-MATHES INC. 309 S. GREEN STREET CHICAGO, IL 60607 BONDS	\$211,665	100.00%	\$211,665	\$0	\$0	\$211,665	\$0
LINN-MATHES INC. 309 S. GREEN STREET CHICAGO, IL 60607 OVERHEAD	\$530,554	0.00%	\$0	\$0	\$0	\$0	\$530,554
LINN-MATHES INC. 309 S. GREEN STREET CHICAGO, IL 60607 FEE	\$1,281,751	0.00%	\$0	\$0	\$0	\$0	\$1,281,751
TOTALS	\$28,750,609	1.43%	\$410,623	\$0	\$0	\$410,623	\$28,339,986
Amount of Original Contract	\$28,750,609		Work Completed (Col. 3)			\$410,623	
Extras to Contract	\$0		Total Retained (Col. 4)			\$0	
Total Contract and Extras	\$28,750,609		Net Amount Earned(Col.3 minus Col.4)			\$410,623	
Credits to Contract			Previously Paid (col. 5)			\$0	
Adjusted Total Contract	\$28,750,609		Net Amount Due This Payment (Col. 6)			\$410,623	

EXHIBIT F

If to Parkside Nine Phase II, LLC:

c/o Holsten Real Estate Development Corporation
1333 North Kingsbury
Suite 305
Chicago, IL 60642
Attn: Peter M. Holsten

And

c/o Cabrini Green LAC Community Development Corporation
984 North Hudson, Chicago, IL 60610.
Attention: President

With copies to:

Applegate & Thorne-Thomsen, P.C.
322 So. Green Street, Suite 400
Chicago, Illinois 60607
Attention: Thomas Thorne-Thomsen

Edwin F. Mandel Legal Aid Clinic
University of Chicago Law School
6020 S. University Avenue
Chicago, Illinois 60637
Attn: Jeff Leslie, Esq.

Exhibit G

Funder Requirements Regarding Funding, Completion

(See attached)

**Exhibit G
Draw Schedule Process**

Parkside of Old Town Phase IIA Rental

Activity	From / To / Attendees	Date Due	Notes
Hard Costs - Pencil Draw review meeting.	Attendees: Owner, Architect of Record, inspecting Architect and Engineers, interested parties.	On or about the 25 th of each month	Quantities will be agreed upon at this meeting.
Formal Draw Meeting. Contractor will submit final version of Contractor Sworn Statement. Any corrections to it by the Inspecting Architects will result in a partial funding of the draw request which will be corrected on the next Sworn Statement. Architect will execute a Certificate of Payment reflecting the approved amount.	Attendees: Owner, Contractor, Architect of Record, CHA, DOH, Chase, Alliant	On or about the 1st of following month	All back-up documents will be included in this submittal. Certificates of Insurance for any Subcontractors included in the draw for the first time will be included in the package.
Inspecting Engineer Review/approval	From Inspectors to Lenders	On or about the 3 rd of following month	
Submittal of Owner's Approved Draw Package	From Owner (HREDC) to Lenders/Funders	On or about the 7 th of following month	See separate schedules "Construction Draw Documentation Requirements" and "Timing," which are a part of this Exhibit G
Authorization of funding	From Lenders/Funders to Title Co.	By 12 th of following month	After review, Title Co. will provide "Date Down Endorsement" to Lenders
Disbursement Deadline	From Title Co. to Contractor(s)	By 20 th of following month	
Submittal of waivers	From Contractor to Title Co.	5 th of month after following Month	

Originals and Copies of completed draw request:

1. One original to Title Company
2. One copy to Owner
3. One original and two copies to JP Morgan Chase
4. One original and five copies to CHA
5. Two copies to DOH
6. Two copies to Alliant

**Exhibit G
Draw Schedule Process**

Parkside of Old Town Phase IIA Rental

CONSTRUCTION DRAW DOCUMENTATION REQUIREMENTS

Document	Title Co.	JPMorgan Chase	Inspecting Architect	CHA	DOH	Alliant
Draw Request	1 copy	1 original	1 copy	1 original	1 original	1 copy
General Contractor Insurance – Must include Worker’s Comp. Coverage (unless previously provided)	N/A	1 copy	N/A	1 copy	1 copy	1 copy
Sworn Owner’s Statement	1 original	1 original, 2 copies	1 copy	1 original, 5 copies	2 copies	2 copies
Sworn Contractor’s Statement	1 original	1 original, 2 copies	1 copy	1 original, 5 copies	2 copies	2 copies
Application and Cert. Of Payment (executed by General Contractor, subcontractor seeking payment, Architect and Funder Consultant)	1 original	1 original, 2 copies	1 copy	1 original, 5 copies	2 copies	2 copies
Updated Construction Schedule	N/A	1 original, with GC, Architect certification	1 copy	1 copy	1 copy	1 copy
Soft Cost Invoices	N/A	1 copy	1 copy	1 copy	1 copy	1 copy
Lien Waivers (General Contractor partial waiver of lien, with subcontractor lien waivers to follow as payment is made)	1 original		N/A	N/A	N/A	N/A
Change Orders	N/A	1 copy	1 copy	1 copy	1 copy	1 copy
Architect Certificate (Interim)	N/A	N/A	N/A	1 original	N/A	N/A
Certificate of Occupancy (When made available)	1 copy	1 copy	1 copy	1 copy	1 copy	1 copy
Any new Sub-Contractor Insurance – Must name GC as Additional Insured (unless waived by GC or previously provided)	N/A	1 copy	N/A	1 copy	1 copy	1 copy
Building Permits (provided by Owner)	1 copy	1 copy	N/A	1 copy	1 copy	1 copy

PLEASE NOTE: Draw package is to be delivered to the Bank, Title Company and Inspecting Architect simultaneously
Original documents should be fully executed and notarized.

**Exhibit G
Draw Schedule Process**

Parkside of Old Town Phase IIA Rental

TIMING

Document	JPMorgan Chase	CHA/Habitat	DOH
Timing of Draw Request	at least 10 business days prior to disbursement	at least 5 business days prior to disbursement	
Timing of Disbursement	no more than once per month	no more than once per month	

FUNDER'S REQUIREMENTS FOR OWNER TO OCCUPY UNITS

JPMorgan Chase	CHA/Habitat	DOH
City issuance of partial certificate of occupancy, Architect issues a certification of completion, and final lien waivers	City issuance of partial certificate of occupancy, Architect issues a certificate of substantial completion, CHA accepts the unit by issuance of a "Notification of the Acceptance of Occupancy"	Partial certificate of occupancy

100445

Exhibit H

Form Consent to Assignment

(See attached)

CONTRACTOR'S CONSENT AGREEMENT

THIS CONSENT AGREEMENT is entered into as of June __, 2010, by **LINN-MATHES, INC.**, an Illinois corporation ("Contractor"), to and for the benefit of **JPMORGAN CHASE BANK, N.A.**, a national banking association, its successors and assigns ("Lender").

RECITALS:

A. Concurrently herewith, Lender has agreed to make a loan ("Loan") in the stated principal amount of \$13,500,000.00 to Parkside Nine Phase II, LP, an Illinois limited partnership ("Borrower").

B. Cabrini Green LAC Community Development Corporation, an Illinois not for profit corporation ("LAC"), as lessee, and the Chicago Housing Authority ("CHA"), as lessor, have entered into that certain Ground Lease dated of even date herewith demising the real estate in Chicago, Illinois, legally described on **Exhibit A** attached hereto (the "Original Ground Lease"). LAC has assigned its interest in and to the Ground Lease to Borrower pursuant to that certain Assignment and Assumption and Amendment of Ground Lease dated of even date herewith (the "Ground Lease Assignment"; and together with the Original Ground Lease, the "Ground Lease"). The real estate legally described on **Exhibit A** is hereinafter referred to as the "Real Estate," and together with the all improvements on the Real Estate, the "Property".

C. Borrower, as owner, has entered into a written agreement ("Contract") with Contractor dated _____, 2010, pursuant to which Contractor has agreed to construct certain improvements to be made to the Property ("Improvements") for a fixed price.

D. As a condition to Lender making the Loan to Borrower, Lender has required that: (i) Borrower collaterally assign the Contract to Lender pursuant to that certain Assignment of Plans, Specifications, Construction and Service Contracts, Licenses and Permits by Borrower for the benefit of Lender of even date herewith (the "Assignment"); (ii) Contractor consent to the terms of the Assignment in favor of Lender and agree that, upon Lender's request, Contractor will continue to perform its duties and obligations under the Contract in the event of a default by Borrower under the Assignment or the other documents and instruments evidencing or securing the Loan (collectively, "Loan Documents"); and (iii) Contractor agree to permit Lender, at Lender's option, to terminate the Contract after the occurrence of a default by Borrower under the Loan Documents.

E. Contractor will benefit if the Loan is made to Borrower, since a portion of the proceeds of the Loan will be used to pay amounts owing to Contractor under the Contract.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Contractor hereby agrees as follows:

1. Contractor hereby consents to the terms of the Assignment notwithstanding any terms to the contrary contained in the Contract. Contractor hereby agrees that if an event of default has occurred under the Loan Documents and such default is not cured within any applicable grace or cure period expressly provided for in any such Loan Document and if Lender

has given written notice from Lender to Contractor of such default, then Lender shall have the right, at Lender's option, either to terminate the Contract or to require that Contractor perform its obligations under the Contract for the benefit of Lender. Lender shall exercise one of such options by giving written notice to Contractor, not later than thirty (30) days after notice of Borrower's default is given to the Contractor, indicating Lender's intent to either exercise its rights under the Assignment or to terminate the Contract. If Lender elects to exercise its rights under the Assignment, then Contractor shall perform all of its duties and obligations under the Contract for the benefit of Lender regardless of any prior default by Borrower or any other party under the Contract, provided that Lender pays to Contractor the fees for those services rendered to Lender, at Lender's request, in accordance with the terms of the Contract. If Lender terminates the Contract, Lender shall not have any liability to Contractor under the Contract and Contractor's sole recourse shall be against Borrower and lien rights against the Property.

2. Contractor hereby acknowledges that the Assignment and the exercise by Lender of any of its rights and remedies thereunder shall not render Lender liable to Contractor for any obligations of Borrower or any other party under the Contract. Without limiting the generality of the foregoing, Contractor agrees that Lender shall not be liable pursuant to any indemnity provisions under the Contract, including any indemnity provisions with respect to the existence of asbestos or other hazardous substances or materials or other environmental problems concerning the Property.

3. Contractor certifies that no party is in default under the Contract as of the date hereof and there are not any circumstances which would constitute a default upon the passage of time, the giving of notice, or both. Contractor agrees not to enter into any amendment or modification of the Contract without the prior written consent of Lender.

4. Contractor agrees to give prompt written notice to Lender of any default or breach by Borrower of any of its obligations or duties under the Contract, and that, prior to Contractor exercising any of its rights or remedies under the Contract, Lender shall have an opportunity to remedy or cure such breach for a period of thirty (30) days after receipt of notice thereof; provided, however, that if such breach cannot reasonably be remedied or cured within such 30-day period, Lender shall have such additional reasonable period of time as Lender requires to effect a remedy or cure so long as Lender commences the remedy or cure within the aforesaid 30-day period and diligently pursues such remedy or cure thereafter. If Lender remedies or cures the breach, Contractor shall accept such remedy or cure and not pursue any rights under the Contract as a result thereof.

5. For purposes of this Agreement, all notices, demands or documents required or permitted to be given to either party shall be (i) delivered in person, or (ii) by overnight express carrier, addressed in each case as follows:

To Lender: JPMorgan Chase Bank, N.A
Community Development Real Estate
Chase Plaza, 10 South Dearborn Street
Mail Code IL1-0953
Chicago, Illinois 60603
Attn: John D. Bernhard

and: Dykema Gossett PLLC
10 South Wacker Drive
Suite 2300
Chicago, Illinois 60606
Attn: Derek L. Cottier, Esq.

To Contractor: Linn-Mathes, Inc.
309 South Green Street
Chicago, Illinois 60607
Attn: Brad Mathes

With copies to: Parkside Nine Phase II, LP
C/o Holsten Real Estate Development Corporation
1333 N. Kingsbury, Suite 305
Chicago, IL 60642
Attn: Peter Holsten

And:

Applegate & Thorne-Thomsen
322 South Green Street, Suite 400
Chicago, IL 60607
Attn: Thomas Thorne-Thomsen, Esq.

And:

Edwin F. Mandel Legal Aid Clinic
University of Chicago Law School
6020 S. University Avenue
Chicago, IL 60637
Attn: Jeff Leslie, Esq.

And:

Cabrini Green LAC Community
Development Corporation
984 North Hudson
Chicago, IL 60610
Attn: President

And:

Alliant Tax Credit Fund 53, Ltd.
Alliant Tax Credit 53, LLC
C/o Alliant Asset Management Company LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attn: Brian Goldberg

And:

Bocarsly Emden Cowan Esmail Parker & Arndt LLP
633 West Fifth Avenue
70th Floor
Los Angeles, California 90071
Attn: Lance S. Bocarsly, Esq.

6. This Agreement shall be binding upon and inure to the benefit of Lender and Contractor and their respective successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written.

LINN-MATHES, INC., an Illinois corporation

By: _____

Name: _____

Title: _____

EXHIBIT A

THE REAL ESTATE

Common Address: 544 West Oak Street, Chicago, Illinois
PIN: _____

CONSENT TO ASSIGNMENT
General Contractor

The undersigned, as the General Contractor under that certain construction contract ("Agreement") between the undersigned and **Parkside Nine Phase II, LP**, an Illinois limited partnership ("Assignor") in connection with the Development, including without limitation, the Project (as such terms are defined in the hereinafter defined Loan Agreement), acknowledges that Assignor has, pursuant to that certain Subordinate Assignment of Contracts and Documents dated as of the date hereof ("Assignment") executed by Assignor in favor of **Chicago Housing Authority** ("Assignee"), assigned to Assignee Assignor's right, title and interest in the Agreement as security for the making by Assignee to Assignor of certain loans pursuant to the terms of a Chicago Housing Authority Loan Agreement ("Loan Agreement") dated as of the date hereof between Assignor and Assignee.

In consideration of the foregoing and to induce Assignee to make the loans specified in the Loan Agreement), the undersigned hereby agrees as follows:

1. The undersigned has received a copy of and hereby consents to the Assignment and agrees to the terms thereof. The undersigned hereby certifies that the Agreement attached hereto as Exhibit A and hereby made a part hereof is a true, correct and complete copy of the Agreement, has not been changed or modified and is in full force and effect.

2. Notwithstanding any counterclaim, right of set-off, defense or claim that the undersigned may have against Assignor, the undersigned agrees to perform under the Agreement for Assignee if Assignee exercises its rights under the Assignment. It is expressly understood that Assignee neither assumes nor has any obligation to exercise its rights under the Assignment or to declare a default under the Loan Agreement, but that the option to exercise such rights or declare a default rests in the sole and absolute discretion of Assignee.

3. The undersigned represents and warrants that, as of the date hereof, it has no counterclaim, right of set-off, defense or like right against Assignor or Assignee and that the undersigned has been paid all amounts due for its work as of the date hereof. The undersigned agrees to make no amendments to the Agreement without the express written consent of Assignee.

4. In addition to the foregoing, the undersigned agrees that it will not terminate the Agreement or cease to perform its work thereunder for any reason, without first giving written notice to Assignee of such intention to terminate or cease performing its work and the opportunity to cure such breach within 10 days thereafter in the case of a monetary default and 30 days thereafter in the case of a non-monetary default, except that no default shall be deemed to have occurred if such default is a non-monetary default and by its nature cannot be cured within such 30-day period so long as Assignee shall have commenced curing the same within such 30-day period and thereafter shall diligently and continuously prosecute the same to completion within 90 days after such notice to Assignee.

5. The undersigned acknowledges and agrees that Assignee may assign the Assignment to any successors and assigns, and that this consent shall be binding without need for any additional consent or agreement with such successor or assign. Notwithstanding the foregoing, the undersigned agrees to execute a consent to assignment in substantially this form within 10 days after the request therefor from Assignee in favor of such other party as Assignee may designate. So long as neither Assignee nor any of Assignee's successors or assigns are in default under the Agreement, the undersigned further agrees to provide an estoppel letter to Assignee or any such successor or assign within 10 days after the request therefor from Assignee, stating that (except as disclosed therein) the Agreement is in full force and effect and has not been amended or modified, and that no default exists thereunder.

6. The undersigned shall in writing notify Assignee of the occurrence of any default or breach of the Agreement or of any such claimed default or breach.

7. The undersigned acknowledges and agrees that the Assignment is subordinate to certain assignments, if any, in favor of the Senior Lender (as defined in the Loan Agreement).

8. If the undersigned is an Affiliate (as hereinafter defined) of Assignor, to the extent permitted by law, the undersigned hereby waives for itself, and for any party acting by, through or under the undersigned, any and all lien rights, if any, which the undersigned may have against the property which is the subject of the Agreement by virtue of applicable law (including, without limitation, the Illinois Mechanics' Lien statutes) or as specifically reserved under the terms of the Agreement. The undersigned further acknowledges and agrees that its right to receive payment of any and all sums due and owing the undersigned under the Agreement shall be subordinate in all respects to amounts due and owing Assignee relative to the Loan, and any amounts received by the undersigned which are in violation of this provision shall be deemed to be held in trust for the benefit of Assignee. For purposes of this Section 8, an "Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Assignor.

9. The undersigned hereby represents and warrants that it is not an Affiliate of Assignor.

10. All notices, demands or documents which are required or permitted to be given or served upon the undersigned or Assignee shall be deemed to have been properly given if sent by overnight courier, hand delivered or, if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed with respect to the undersigned as shown beneath the name of the undersigned below, and addressed with respect to Assignee as follows:

If to the Assignee:

Chicago Housing Authority
60 East Van Buren Street
Chicago, Illinois 60605
Attention: Chief Executive Officer

With a copy to:

Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attention: General Counsel

Dated as of _____, 2010

GENERAL CONTRACTOR

Linn-Mathes, Inc., an Illinois corporation

By: _____

Name: _____

Its: _____

General Contractor's Address:

309 South Green Street

Chicago, Illinois 60607-3501

Attention: President

EXHIBIT A

CONSTRUCTION CONTRACT

**CONSENT TO ASSIGNMENT (HOME)
General Contractor**

The undersigned, as the General Contractor under that certain construction contract ("Agreement") between the undersigned and Parkside Nine Phase II, L.P., an Illinois limited partnership ("Assignor"), in connection with the Project (as defined below), acknowledges that Assignor has, pursuant to that certain Assignment of Contracts and Documents (HOME) dated as of the date hereof ("Assignment") executed by Assignor in favor of the City of Chicago, Illinois ("Assignee"), assigned to Assignee Assignor's right, title and interest in the Agreement as security for the making by Assignee to Assignor of a \$3,710,019 loan (the "Loan") in connection with a multi-family housing development known as the Parkside IIA Rental in Chicago, Illinois (the "Project").

In consideration of the foregoing and to induce Assignee to make the Loan, the undersigned hereby agrees as follows:

1. The undersigned has received a copy of and hereby consents to the Assignment and agrees to the terms thereof. The undersigned hereby certifies that the Agreement attached hereto as Exhibit A and hereby made a part hereof is a true, correct and complete copy of the Agreement, has not been changed or modified and is in full force and effect.

2. Notwithstanding any counterclaim, right of set-off, defense or claim that the undersigned may have against Assignor, the undersigned agrees to perform under the Agreement for Assignee if Assignee exercises its rights under the Assignment. It is expressly understood that Assignee neither assumes nor has any obligation to exercise its rights under the Assignment or to declare a default under the Loan Agreement, but that the option to exercise such rights or declare a default rests in the sole and absolute discretion of Assignee.

3. The undersigned represents and warrants that, as of the date hereof, it has no counterclaim, right of set-off, defense or like right against Assignor or Assignee and that the undersigned has been paid all amounts due for its work as of the date hereof. The undersigned agrees to make no amendments to the Agreement without the express written consent of Assignee.

4. In addition to the foregoing, the undersigned agrees that it will not terminate the Agreement or cease to perform its work thereunder for any reason, without first giving written notice to Assignee of such intention to terminate or cease performing its work and the opportunity to cure such breach within 10 days thereafter in the case of a monetary default and 30 days thereafter in the case of a non-monetary default, except that no default shall be deemed to have occurred if such default is a non-monetary default and by its nature cannot be cured within such 30-day period so long as Assignee shall have commenced curing the same within such 30-day period and thereafter shall diligently and continuously prosecute the same to completion within 90 days after such notice to Assignee.

5. The undersigned acknowledges and agrees that Assignee may assign the Assignment to any successors and assigns, and that this consent shall be binding without need for any additional consent or agreement with such successor or assign. Notwithstanding the foregoing, the undersigned agrees to execute a consent to assignment in substantially this form within 10 days after the request therefor from Assignee in favor of such other party as Assignee may designate. So long as neither Assignee nor any of Assignee's successors or assigns are in default under the Agreement, the undersigned further agrees to provide an estoppel letter to Assignee or any such successor or assign within 10 days after the request therefor from Assignee, stating that (except as disclosed therein) the Agreement is in full force and effect and has not been amended or modified, and that no default exists thereunder.

6. The undersigned shall in writing notify Assignee of the occurrence of any default or breach of the Agreement or of any such claimed default or breach.

7. The undersigned acknowledges and agrees that the Assignment is subordinate to (a) the Senior Assignment in favor of the Senior Lender and (b) the CHA HOPE VI Senior Assignment in favor of the CHA HOPE VI Senior Lender (all as defined in that certain Housing Loan Agreement entered into between the Assignor and Assignee in connection with the Loan).

8. If the undersigned is an Affiliate (as hereinafter defined) of Assignor, to the extent permitted by law, the undersigned hereby waives for itself, and for any party acting by, through or under the undersigned, any and all lien rights, if any, which the undersigned may have against the property which is the subject of the Agreement by virtue of applicable law (including, without limitation, the Illinois Mechanics' Lien statutes) or as specifically reserved under the terms of the Agreement. The undersigned further acknowledges and agrees that its right to receive payment of any and all sums due and owing the undersigned under the Agreement shall be subordinate in all respects to amounts due and owing Assignee relative to the Loan, and any amounts received by the undersigned which are in violation of this provision shall be deemed to be held in trust for the benefit of Assignee. For purposes of this Section 8, an "Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with Assignor.

9. The undersigned hereby represents and warrants that it **[check as applicable]** is, X is not, an Affiliate of Assignor.

10. All notices, demands or documents which are required or permitted to be given or served upon the undersigned or Assignee shall be deemed to have been properly given if sent by overnight courier, hand delivered or, if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed with respect to the undersigned as shown beneath the name of the undersigned below, and addressed with respect to Assignee as follows:

If to Assignee:

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

With a copy to:

Office of Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

Dated as of _____, 2010

GENERAL CONTRACTOR
LINN-MATHES, INC.

By: _____

Its: _____

General Contractor's Address:

309 S. Green Street
Chicago, Illinois 60607
Attention: Brad Mathes

EXHIBIT A
CONSTRUCTION CONTRACT

Standard Form of Agreement between Assignor and Linn-Mathes, Inc. dated
_____, 20__

Exhibit I

Form of Subcontract

(See attached)

SUBCONTRACT AGREEMENT

THIS SUBCONTRACT AGREEMENT ("this Agreement") is made as of the day of by and between **LINN-MATHES INC.**, an Illinois corporation ("General Contractor" or Contractor"), and ("Subcontractor").

General Contractor has entered into an agreement with ("Owner"), to perform certain construction work ("Work") at the premises ("Premises") located at **CHICAGO, IL**. The Project may also be referred to as . The architect for the Project is ("Architect"). The terms of the agreement between General Contractor and Owner are contained in an agreement between the Owner and General Contractor, including the general, supplementary and other conditions thereto, as well as in the drawings, specifications, and all approved addenda and modifications thereto, a list and description of which are attached as **Exhibit A**. The relevant terms and provisions of the aforementioned agreement (the terms and provisions that apply to the Work (as defined below)) between Owner and General Contractor are incorporated herein by reference and are as fully a part of this Agreement as if attached hereto or repeated herein (said agreement between Owner and General Contractor and this Agreement are sometimes collectively referred to herein as the "Contract Documents"). Subcontractor acknowledges receipt from General Contractor of copies of each of the Contract Documents from which there may have been redacted provisions which do not pertain to the Subcontractor nor the Work.

General Contractor desires to engage Subcontractor, and Subcontractor desires to be retained by General Contractor, to perform part of the Work at the Premises in connection with the Project, on the terms set forth herein.

In consideration of the mutual promises set forth herein, the sufficiency of which is acknowledged, the parties hereto agree as follows:

ARTICLE 1

THE WORK

1.1 Subcontractor shall provide and pay for all labor, materials, facilities and equipment to perform all the Work required by the Contract Documents, and to otherwise perform all of General Contractor's obligations for furnishing and installing that part of the Work and the Project described as **ALL WORK.**

1.2 Subcontractor shall be bound by the terms of the Contract Documents to the extent that the terms of the Contract Documents apply to the Work and Subcontractor hereby assumes all the obligations and responsibilities which the General Contractor has to the Owner and Architect under the Contract Documents relating to the Work. It is the intent of this Agreement that Subcontractor shall fully assume and perform, at a minimum, all responsibilities of General Contractor under the Contract Documents for the performance of the Work, under the direction and to the satisfaction of General Contractor, Owner and Architect. All the rights of Owner and Architect under the Contract Documents are preserved against Subcontractor so that this Agreement shall not prejudice such rights. In the event any provisions of the Contract Documents are inconsistent with any provision hereof, this Agreement shall govern. Any decision of Architect or Owner which is binding on General Contractor shall also be binding on Subcontractor.

1.3 Subcontractor shall be solely responsible for the quality of the Work. Subcontractor shall make good any loss or damage to the Work up to the final acceptance of the Project by Owner. In the event of loss or damage to the Work, Subcontractor shall, as soon as possible after the casualty, proceed to replace, restore or repair the Work, as directed by General Contractor. Subcontractor shall forthwith

submit to General Contractor an estimate of the cost of the additional work, in such form and substance acceptable to General Contractor

1.4 Subcontractor shall not discriminate against any person or business on the basis of race, color, national origin, age, gender, or veteran status, and shall take affirmative action to insure that women and minority businesses shall have full opportunity to compete for and perform subcontracts for supplies or services.

ARTICLE 2

TIME OF COMMENCEMENT AND COMPLETION

2.1 The Work shall be commenced on the date requested by General Contractor, and, subject to authorized adjustments, shall be completed not later than shown in the work schedule attached hereto as **Exhibit C**. Subcontractor shall strictly adhere to the terms of said schedule, as may reasonably be adjusted by General Contractor from time to time.

2.2 Subcontractor shall at all times supply adequate tools and equipment, a sufficient number of properly qualified workers and a sufficient amount of materials and supplies of proper quality to perform the Work efficiently, properly and promptly, and in accordance with the terms of this Agreement. In the event Subcontractor fails to perform the Work timely and in accordance with the terms of this Agreement, General Contractor may, at its option, and in addition to all of its other rights hereunder (including termination rights), require Subcontractor to increase the number of workers and/or the amount of equipment utilized by Subcontractor.

2.3 Subcontractor shall promptly reimburse General Contractor for all costs, expenses and penalties, of any kind, incurred by General Contractor related to Subcontractor's failure to timely perform or complete the Work.

2.4 Time is of the essence of this Agreement.

2.5 Subcontractor shall only be entitled to an extension of time upon the terms of the Contract Documents. No extension of time will be valid without General Contractor's prior written consent.

2.6 Should Subcontractor be delayed in its performance of the Work by any action or omission of General Contractor, then General Contractor shall grant Subcontractor an extension of time for completion equal to the delay caused. Under no circumstances shall General Contractor be liable to pay to Subcontractor any compensation or damages for such a delay unless such compensation or damages have been received by General Contractor from the Owner.

ARTICLE 3

EXECUTION AND PROGRESS OF THE WORK

3.1 Subcontractor shall cooperate with General Contractor in scheduling and performing the Work to avoid conflict or interference with the work of others. Subcontractor acknowledges and agrees that General Contractor may reasonably require Subcontractor to perform such portions of the Work in preference to other portions, as General Contractor may specify. Such scheduling specifications shall not afford Subcontractor any basis for any claim for damages, delay, interference, extra work, or otherwise, against General Contractor.

3.2 Subcontractor shall, at its expense, promptly submit shop drawings, setting plans, working diagrams, text, samples and other data required by the Contract Documents or requested by

General Contractor, Owner or Architect in order to perform the Work efficiently, expeditiously and in a manner that will not cause delay in the progress of the Work or the work of General Contractor or other subcontractors. The shop drawings, setting plans, working diagrams and samples are subject to the review and approval of General Contractor, Owner and Architect, and in the event modifications are required, such modifications shall be promptly performed by Subcontractor. The approval of said drawings will be general and will not mean that they have been checked for measurements or figures, and will in no way relieve Subcontractor from the responsibility for the correction of figures, nor for taking the necessary measurements at the Premises, nor of proper fitting and construction of the Work, nor from the necessity of furnishing material or labor required by the drawings and specifications which may not be indicated on the shop drawings when approved, all of the foregoing as may be required to make the Work a complete and workable installation of its kind usable and satisfactory for the purpose intended.

3.3 Subcontractor shall furnish periodic progress reports on the Work as requested by General Contractor and in form and content acceptable to General Contractor, which reports shall include information on the status of materials and equipment required to perform the Work.

3.4 Subcontractor agrees that all Work shall be done in conformance with the requirements of the Contract Documents and be subject to the satisfaction and final approval of General Contractor, Owner, any lender of Owner ("Lender") and Architect. The Architect's decisions in matters relating to artistic effect shall be final.

3.5 Subcontractor shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority bearing on the performance of the Work. Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for the proper execution and completion of the Work, the furnishing of which to General Contractor is required of General Contractor by the Contract Documents.

3.6 Subcontractor shall fully comply with and pay all applicable Federal, State and local tax laws, social security acts, unemployment compensation acts, union pension and welfare plans, and workers' or workmen's compensation acts insofar as applicable to the performance of this Agreement.

3.7 In performing the Work, Subcontractor shall take necessary precautions to protect properly the finished work of other trades from damage caused by its operations.

3.8 Subcontractor shall cooperate with General Contractor and other subcontractors whose work might interfere with the Work, and shall participate in the preparation of coordinated drawings in areas of congestion as required by the Contract Documents, specifically noting and advising General Contractor of any such interference.

3.9 Subcontractor assumes exclusive responsibility for protection of its personnel, materials, equipment and facilities. Subcontractor shall take all reasonable safety precautions with respect to the Work, shall comply with all safety measures initiated or mandated by General Contractor, and with all applicable laws, ordinances, rules, regulations and orders of any public authority for the safety of persons or property in accordance with the requirements of the Contract Documents including, but not limited to the provisions of the Federal Occupational Safety and Health Act (OSHA). Subcontractor shall be exclusively liable for the safety of its employees and for any violations of applicable laws or regulations related to the Work. Subcontractor shall report, within three (3) days of the occurrence, to General Contractor any injury to any of Subcontractor's employees at the Premises.

3.10 Subcontractor shall at all times keep the Premises free from accumulation of waste materials or rubbish arising out of the performance of the Work. In the event Subcontractor fails to keep the Premises clean and free from accumulation of waste materials or rubbish, General Contractor may, but does not have the obligation to, perform such clean-up work. Upon completion of the Work, Subcontractor shall promptly remove its equipment and any debris left by it. Subcontractor shall promptly

reimburse General Contractor for all costs, expenses and penalties, of any kind, incurred by General Contractor related to Subcontractor's failure to fulfill the requirements of this paragraph.

3.11 Subcontractor shall provide sufficient, safe, and proper facilities for the inspection of the Work and shall take all necessary field measurements.

3.12 General Contractor reserves the right to require Subcontractor to remove from the Premises any employee or agent when, in the sole opinion of General Contractor, such removal is in the best interests of the Project.

3.13 Subcontractor has inspected the site and become fully acquainted with all conditions pertaining to the Work hereunder, prior to signing this Agreement, or has waived inspection. Execution of this Agreement by Subcontractor shall constitute an acceptance by Subcontractor of the conditions of the site and the job conditions pertaining to the Work.

3.14 Subcontractor agrees that General Contractor's equipment will be available to Subcontractor only at General Contractor's discretion and on mutually satisfactory terms. Subcontractor's use of General Contractor's equipment is at Subcontractor's sole risk and without any representation of fitness or warranties from General Contractor. If Subcontractor, its agents or employees shall, either with or without permission of General Contractor, use any tools, appliances, hoists, elevators, scaffolding, ladders, false work, shoring, material or machinery which belongs to or are furnished by General Contractor, Subcontractor assumes full responsibility for any injury or death to person or damage to property which may result from or in connection with use thereof by Subcontractor, its agents or employees and agrees to indemnify General Contractor, Owner and Architects against any and all losses, liability, costs, expenses and attorney's fees related to such claims.

3.15 In the event any of Subcontractor's materials or equipment are stolen or damaged, Subcontractor shall have no recourse against General Contractor nor Owner for such losses. Such losses shall be the sole responsibility of, and shall solely be borne by, Subcontractor.

3.16 Subcontractor assumes and accepts sole and exclusive responsibility for the Work and shall provide continuous supervision of the Work during the term of this Agreement. No advice, recommendations or assistance that representatives of Owner or General Contractor may give to Subcontractor shall operate to relieve Subcontractor from complete responsibility for the Work.

ARTICLE 4

LABOR DISPUTES

4.1 Subcontractor shall take all reasonable action to avoid any strike, pickets, work stoppage or other type of labor dispute and, in the event a strike, pickets, work stoppage or other form of labor dispute should occur, Subcontractor shall, in addition to its other obligations under this Article, within twenty-four (24) hours, take any and all legal and other action necessary in order to expedite resumption of Work.

4.2 During the performance of the Work, Subcontractor, its employees, agents and suppliers, will use such entrance or entrances to the construction site as may be designated from time to time by General Contractor.

ARTICLE 5

WARRANTY

5.1 Subcontractor shall perform, fulfill and be responsible for General Contractor's guarantees, warranties and undertakings, pertaining to the Work, under the Contract Documents, and Subcontractor shall hold General Contractor harmless from and indemnify General Contractor from any liability related to such guarantees, warranties and undertakings. In addition, Subcontractor unconditionally warrants and guarantees all labor and material furnished by Subcontractor or its agents or subcontractors shall be of good quality, free from all faults and defects and in conformance with the Contract Documents, for one year from the date of Owner's final acceptance of the Project or for the applicable warranty or guaranty period in the Contract Documents, whichever is longer. Subcontractor agrees promptly to repair, restore, replace and make good, upon demand by General Contractor or Owner, and at Subcontractor's sole expense, any and all defects in the Work, to the approval of General Contractor, Owner and Architect. Neither the final certificate nor any payment shall relieve Subcontractor of responsibility for faulty workmanship or materials.

5.2 Should Subcontractor refuse or neglect to proceed at once with the correction of defective or rejected materials or workmanship, General Contractor shall have the right and power to have the same remedied at the expense of Subcontractor, and Subcontractor agrees to pay General Contractor on demand any and all losses and expenses incurred by General Contractor in remedying such defects. The obligation of Subcontractor to correct and remedy shall apply to all portions of the Work that is required for any reason. Moreover, if, in the opinion of General Contractor it would be inexpedient to correct or remedy all or any part of the Work rejected, General Contractor may, at its option, deduct from the amounts due or to become due to Subcontractor such amounts as in General Contractor's judgment will represent the difference between the fair value of the Work rejected and the value thereof if in compliance with the Contract Documents.

5.3 All materials and equipment furnished by Subcontractor shall be new unless otherwise specified.

5.4 The obligations set forth in this Article are continuing and shall survive the term of this Agreement.

5.5 If the General Contractor's warranties and guarantees are transferred by the initial Owner of the Project to the condominium association, all of Subcontractor's warranties and guarantees herein shall be automatically so transferred, at no additional charge, from the General Contractor and the initial Owner of the Project to the condominium association. Such assignments shall not expand nor extend the time such warranties and guarantees.

ARTICLE 6

CHANGES IN THE WORK

6.1 Subcontractor shall when ordered in writing by General Contractor to so do, without invalidating this Agreement and without notice to Subcontractor's surety, make changes in the Work consisting of additions, deletions or other revisions. No alteration or change in the Work shall be made by Subcontractor except upon the written order or consent of General Contractor.

6.2 Subcontractor, prior to the commencement of such changed or revised Work, shall submit promptly to General Contractor written copies of any claim for adjustment to the Contract Amount (as defined below) and time of performance for such revised work in a manner consistent with the Contract Documents. If Subcontractor fails to submit such a claim within seven (7) days following notice of the change, it shall be deemed that there is no additional amount or time to be allowed for the change.

In the event any change involves a deduction from the Contract Amount or acceleration of the date of completion of the Work, General Contractor's estimate of such deduction and acceleration shall be deemed accepted if Subcontractor fails to submit its estimate to General Contractor within seven (7) days of notice of the change.

6.3 The price of, either added or deducted, and the change in schedule, relating to the changes, shall be fixed by agreement between the parties. If the parties are unable to agree on a new price or schedule, then the parties shall resort to the dispute resolutions procedures in this Agreement. It shall, nevertheless, be the duty of Subcontractor, to immediately proceed with the requested changes whether or not agreement has been reached on price and scheduling.

6.4 All provisions of this Agreement shall apply to any changes, omissions or extra work hereunder in like manner and to the same extent as to the Work originally contracted for, and no changes, omissions or extra work shall annul or invalidate this Agreement. General Contractor shall be under no obligation to pay Subcontractor for extra work or material unless said extra work or material shall have been ordered in writing by General Contractor and funds for the payment thereof shall have been received by the General Contractor from the Owner.

ARTICLE 7

CONTRACT AMOUNT

7.1 General Contractor shall pay Subcontractor, for the full, faithful and timely performance of Subcontractor's obligations hereunder, and subject to additions and deductions in accordance with this Agreement, the sum of 00/100 DOLLARS (\$00) (the "Contract Amount").

7.2 The Contract Amount is a firm price and any increase in wages, material or other costs in connection with the Work shall be borne solely by Subcontractor. Moreover, in the event the Work cannot be completed by the date specified herein for completion, General Contractor shall not be liable for any increase in wages, materials or other costs, damages or losses incurred by Subcontractor. **General Contractor shall be under no obligation to pay Subcontractor for Work unless the funds for the payment thereof shall have been received by the General Contractor from the Owner or the Owner's Lender.**

7.3 Subcontractor is responsible for all permit and inspection fees (other than those included in the general permit), sales, use, service, income, excise and other taxes levied or imposed on account of the purchase or sale of goods or services, or the payment of compensation to Subcontractor, in connection with performance of the Work.

ARTICLE 8

PAYMENT

8.1 Subject to its receipt of funds thereof from the Owner or the Owner's Lender, General Contractor shall pay Subcontractor monthly progress payments, for Work actually performed, as follows: Within 60 days of acceptance of a portion of the Work, and conditioned upon the matters set forth below, Contractor shall pay to Subcontractor ninety percent (90%) of the value of the labor and materials incorporated into the Project by Subcontractor hereunder, less the aggregate amount of all previous monthly progress payments, and less such amounts as determined by General Contractor that are required to cover costs of items to be completed or corrected by Subcontractor. Subcontractor shall submit to General Contractor a schedule of values of the various parts of the Work aggregating the total sum of this Subcontract, made out in such detail as requested by General Contractor or Owner, and supported by such evidence and documentation as requested by General Contractor or Owner. The final

value assigned to the labor and materials incorporated into the Project by Subcontractor shall be determined by General Contractor, subject to the approval of Architect.

8.2 As conditions precedent to all payments hereunder, including, without limitation, final payment:

(i) Subcontractor shall submit written applications for payments, in form and substance acceptable to General Contractor, which shall state the percentage of the Work that has been satisfactorily completed, on or before the last day of each month. Said percentage is subject to approval by General Contractor, Owner, Architect and Lender;

(ii) Subcontractor shall submit such waivers of lien and sworn statements, in writing, verified by affidavit, and in form and substance acceptable to General Contractor, Owner and any title insurer designated by General Contractor or Owner, containing the names of all parties furnishing materials and labor to Subcontractor or its subcontractors, and the amounts due to each and to become due to each;

(iii) Satisfactory progress and quality of the Work and the receipt by General Contractor of sufficient funds from Owner specifically for the payment for Subcontractor;

(iv) Owner, General Contractor and Architect, shall accept all work performed and materials furnished by Subcontractor.

SUBCONTRACTOR UNDERSTANDS, ACKNOWLEDGES AND AGREES TO ACCEPT THE RISK THAT IT WILL NOT BE PAID FOR WORK IT PERFORMS OR MATERIALS IT FURNISHES, NOR WILL IT RECEIVE RETAINAGES, IN THE EVENT GENERAL CONTRACTOR IS NOT PAID BY OR FAILS TO RECEIVE RETAINAGES FROM OWNER.

8.3 Subcontractor shall not be entitled to receive payments hereunder if, in the judgment of General Contractor, Owner, Architect or Lender, the payment would leave the unpaid balance of the Contract Amount insufficient to complete the Work and to pay any unpaid amounts owed by Subcontractor to its supplier of labor and materials. Subcontractor shall also not be entitled to receive payments hereunder if, at any time prior to the final payment, in the judgment of General Contractor, Owner, Architect or Lender, any unpaid obligation of Subcontractor for which a lien has been or could be claimed which could attach to or upon the Premises or the Project, or for which General Contractor or Owner could be liable, exists. In the event such unpaid obligation exists, General Contractor shall have the right to retain out of sums due or to become due to Subcontractor, an amount which in the judgment of General Contractor is sufficient to totally indemnify and hold harmless both General Contractor and Owner against all losses, damages, liabilities, costs and expenses, including, without limitation, attorneys' fees, related to such obligations of Subcontractor.

8.4 No payments made under this Agreement, including, without limitation, final payment, shall constitute evidence or construed to be an acceptance of defective or improper work or materials.

8.5 General Contractor, and not Subcontractor, is entitled to set off against amounts it owes to Subcontractor, amounts owed by Subcontractor to General Contractor.

ARTICLE 9

FINAL PAYMENT

9.1 Final payment, constituting the entire unpaid balance of the Contract Amount, shall be made if the Work is fully completed and performed in strict accordance with the Contract Documents and

the Work is approved by Architect and accepted by Owner. The final payment shall be made 45 days after the Project is completed and accepted by Owner and the receipt by General Contractor from Owner of full payment for the Project. It shall be a condition precedent of the final payment that Architect and the inspecting architect retained by Lender or Lender itself, shall issue certifications that the Project has been completed and accepted and that General Contractor shall have received funds from the Owner or the Owner's Lender for the making of such payment.

9.2 The acceptance by Subcontractor of the final payment shall constitute a full, final, complete and unconditional release and discharge of General Contractor, its successors and assigns, from any and all responsibility or liability, from any and all manner of actions, causes of action, suits, debts, sums of money, promises or damages, whether known or unknown, of any and every kind, nature and character, which Subcontractor ever had, now has, or in the future may have against General Contractor, by reason of any cause whatsoever, whether in tort, contract, law, equity or otherwise.

9.3 If there are any injuries, deaths, or lien claims or potential claims for injuries, deaths or liens related to the Work, which claims are not finally adjudged or settled at the time of completion of the Work, General Contractor has the right to withhold reasonable amounts of the final payment until such claims are fully settled and resolved.

9.4 If after completion of the Work and final payment to Subcontractor any lien or claim of lien should appear that is related to the Work, Subcontractor agrees to promptly and completely indemnify and hold General Contractor and Owner, and each of them, harmless against any loss, liability, damage, expenses, court costs and attorney's fees sustained or incurred (subject to limitations, if any, as to type and amount under the provisions of the Contract Documents) by reason thereof and Subcontractor shall at its sole expense defend any suit brought to enforce such lien of claim of lien and promptly pay in full any judgment, interest and costs incurred in said suit.

9.5 Final payment shall not be construed as acceptance of defective work or improper materials furnished by Subcontractor, or as a waiver of General Contractor's rights or Subcontractor's obligations hereunder.

9.6 In the event that final payment from Owner to General Contractor is delayed due to Subcontractor's failure to complete the Work properly, to comply with the terms of this Agreement, or to settle all claims with respect to the Work, then Subcontractor, in addition to all other rights General Contractor may have, will be assessed interest expense, at the rate of one hundred and twenty-five per cent (125%) of the then applicable prime rate as published in *The Wall Street Journal*, per month on the total amount due General Contractor from Owner, less that portion owed to Subcontractor.

ARTICLE 10

PERFORMANCE BOND AND LABOR AND MATERIAL PAYMENT BOND

INTENTIONALLY DELETED

ARTICLE 11

INSURANCE

11.1 Prior to commencing the Work and for the term of this Agreement, Subcontractor shall obtain and maintain the types of insurance, in the amounts specified, as set forth in **Exhibit B**, and such other policies, in such amounts, required to fully protect Subcontractor, General Contractor, Architect and Owner from any claims any and all claims and damages related to property damage, personal injury or

deaths related to Subcontractor's obligations under this Agreement, which policies shall include a so-called contractual liability provision or endorsement insuring Subcontractor's obligations under this Agreement.

11.2 All policies of insurance required in this Agreement shall be in forms and amounts, and with companies reasonably satisfactory to General Contractor. Unless otherwise specified by General Contractor, the insuring companies shall meet the following basic requirements:

- (i) They shall have minimum rating according to Best's Key Rating Guide for Property - Liability of A;
- (ii) They shall be a stock company or non-assessable mutual company and incorporated in the United States of America, Canada or Britain;
- (iii) They must be licensed to do business in Illinois.

The maximum deductible allowable in any policy will be \$5,000 and each policy must name General Contractor, Architect, Owner and Lender as additional insured's. All policies shall contain a provision to the effect that any waiver of subrogation rights by the insured does not void the coverage and shall contain any other special endorsements as may be required by the terms of any leases assigned as security for the loan. Subcontractor will deliver all policies, including additional and renewal policies to General Contractor. All insurance policies shall be prepaid for one year. In case of insurance policies about to expire, Subcontractor will deliver renewal policies or receipts showing prepayment for an additional term, not less than thirty (30) days prior to the respective dates of expiration. All policies shall provide that such insurance shall not be canceled, modified or terminated without thirty (30) days prior written notice to General Contractor.

11.3 Contractor and Subcontractor waive all rights against each other for damage caused by fire or other perils to the extent covered by insurance, except such rights as they may have to the proceeds of such insurance.

11.4 If Subcontractor sub-subcontracts any of the Work, Subcontractor shall require any such sub-subcontractor to provide insurance coverage and furnish certificates to General Contractor to the same extent required of Subcontractor hereunder.

11.5 Additional insurance requirements and information are set forth in **Exhibit B** hereto.

ARTICLE 12

DEFAULT

12.1 It shall be an event of default hereunder ("Event of Default") if one or more of the following events occurs:

- (i) Subcontractor fails to timely and fully honor any of its obligations hereunder and under the Contract Documents, including, without limitation, failing to timely perform the Work, for any reason whatsoever;
- (ii) Subcontractor fails to timely pay its employees, agents, workmen, suppliers or subcontractors or allow any lien or claim thereof with respect to the Project or the Premises;
- (iii) Subcontractor fails to follow the instructions of General Contractor with respect to the Work and presence at the Project;

- (iv) Subcontractor shall fall behind in its performance of the Work; or
- (v) Subcontractor shall:
 - (a) Have an order for relief entered with respect to it under the Federal Bankruptcy Code;
 - (b) Not pay, or admit in writing its inability to pay, its debts generally as they become due;
 - (c) Make an assignment for the benefit of creditors;
 - (d) Apply for, seek, consent to, or acquiesce in the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any part of its property;
 - (e) Institute any proceeding seeking to adjudicate it as bankrupt or insolvent, or seeking dissolution, winding-up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors;
 - (f) Fail to contest in good faith any appointment or proceeding described above.

ARTICLE 13

REMEDIES

13.1 The occurrence of any Event of Default shall entitle General Contractor to:

- (i) Provide any labor or materials required to perform the Work and to deduct the entire cost thereof from any sums then due or to become due to Subcontractor;
- (ii) Bar Subcontractor from the Project (with or without terminating this Agreement) and enter upon the Premises and take possession, for use in completing the Work, of all materials, supplies, tools, equipment, appliances and facilities of Subcontractor and complete the Work or have it completed by others, or any combination;
- (iii) Withhold any further payment from Subcontractor until the Work is wholly finished and accepted and paid for by Owner;
- (iv) Pay for completion of the Work and deduct the amount so paid from any sums due or to become due to Subcontractor;
- (v) Terminate this Agreement, upon five (5) days written notice, and, in the event of such termination, Subcontractor shall be entitled to receive only the actual direct costs of all labor and material expended on the Work prior to the effective date of termination payable when funds for such payment are received by General Contractor from Owner or Owner's Lender. In no event shall Subcontractor be entitled to anticipatory or expected profits or damages of any nature.

13.2 In the event of an occurrence of an Event of Default, Subcontractor shall not be entitled to receive any further payment hereunder, and General Contractor shall have no liability to Subcontractor for any payments, until final payment for the Project has been received from Owner, and then Subcontractor shall only be entitled to the amount (unless otherwise herein specified), if any, by which the

unpaid portion of this Subcontract shall exceed the cost, expense and damage incurred by General Contractor related to Subcontractor's default. If such damages and amounts expended or incurred by General Contractor exceed the balance of the Contract Amount, Subcontractor and its sureties shall pay General Contractor such excess promptly after demand therefore, and in order to satisfy such debt, General Contractor shall have the right to sell all materials, tools, appliances, equipment and facilities of Subcontractor and to apply the proceeds to the amounts owed General Contractor, though such a sale is not a condition to receiving full payment from Subcontractor and its sureties.

13.3 In the event of the exercise of any default or termination rights by General Contractor, all costs incurred by General Contractor, including, without limitation, attorneys' fees, court costs and any and all litigation expenses incurred by General Contractor shall be paid by Subcontractor to General Contractor.

13.4 In the event Subcontractor incurs damages as a result of any act or omission of Owner, the liability of General Contractor is limited solely to the amount Owner actually pays to General Contractor for such damages.

ARTICLE 14

INDEMNIFICATION

14.1 Subcontractor shall indemnify, save and keep General Contractor and its successors and assigns, forever harmless against and from all liability, demands, claims, actions or causes of action, assessments, losses, fines, penalties, costs, damages and expenses, including, without limitation, those asserted by any governmental entity, third party or employee or agent of Subcontractor, including reasonable attorneys' fees sustained or incurred by General Contractor and its successors and assigns ("Losses"), as a result of or by virtue of the following:

- (i) Any inaccuracy in a representation or warranty made by Subcontractor or which will be made by Subcontractor, including, without limitation, with respect to payments hereunder;
- (ii) The failure of Subcontractor to fully and completely comply with any of its covenants, agreements and obligations in this Agreement;
- (iii) The failure of Subcontractor to discharge when due any liability or obligation of Subcontractor to any third party;
- (iv) Injuries to or deaths of persons and/or damage to property related to actions or omissions of Subcontractor, its agents or employees;
- (v) Any act or omission (whether or not negligent) of Subcontractor or any employee, agent subcontractor or materialman of Subcontractor;
- (vi) Losses sustained by another subcontractor, materialman or other third party resulting from Subcontractor's acts or omissions.

14.2 Subcontractor's obligations to indemnify General Contractor are continuing and shall survive the termination of this Agreement.

14.3 Subcontractor hereby expressly assumes all the liability imposed on General Contractor related to the Work. Subcontractor shall defend any and all suits brought against General Contractor or Owner related to the Work and shall pay any settlements made or judgments rendered, and shall

reimburse and indemnify General Contractor for all expenses related thereto as provided in Paragraph 13.3 hereof.

14.4 Additional Indemnification requirements and information is set forth in **Exhibit B** hereto.

ARTICLE 15

DISPUTE RESOLUTION

15.1 Any decision concerning the Work or termination of this Agreement, the quantity or classification of anything done hereunder, the intentment or application of the Contract Documents, or claims for payment or compensation hereunder, which decision is binding upon General Contractor, shall bind Subcontractor absolutely, whether such decision be made by Owner, Architect or any officer, agency or tribunal empowered to render the same by the Contract Documents or as a result of any procedure and referred to therein or contemplated thereby.

15.2 General Contractor agrees, only upon written demand from Subcontractor, which demand must be made by Subcontractor within five (5) days from date such changes are ordered, to present to Owner, all of Subcontractor's claims for extras and equitable adjustments, whenever General Contractor is permitted to do so by terms of the Contract Documents and to invoke further, on behalf of Subcontractor, those provisions in the Contract Documents for resolving disputes. Subcontractor agrees to exhaust the remedies available under the Contract Documents, including remedies available for breach of contract, through General Contractor and to make the demand upon General Contractor timely, before any separate action shall be instituted. Subcontractor agrees that its failure to make demand upon General Contractor to present its claims, in General Contractor's name, to Owner, constitutes a complete waiver of any and all such claims and causes of action of Subcontractor against General Contractor. If a separate action is instituted prior to the exhaustion of the aforesaid remedies, Subcontractor agrees to cause said action to be stayed pending the exhaustion of remedies against Owner. Subcontractor also agrees to be bound to General Contractor to the same extent General Contractor is bound to Owner by the final decision of a court of competent jurisdiction or other tribunal or panel whether or not Subcontractor is a party to such proceeding.

15.3 General Contractor may dispute, appeal from and in every manner resist and litigate any and every such decision before such decision shall be a final determination and without being deemed thereby to have admitted any obligation or liability to Subcontractor, and if the decision shall go against General Contractor, then Subcontractor, in addition to being bound and concluded thereby, further agrees that nothing previously said, done, contended or stipulated by General Contractor in or with respect to any such dispute, litigation and appeal shall be offered or received in evidence in any proceeding of Subcontractor against General Contractor.

15.4 On any claim of Subcontractor, General Contractor shall have no responsibility or liability for or in relation to the outcome thereof, except to make such payment to Subcontractor of any sums received from Owner specifically for the payment thereof, on the successful presentation of such claim, less all expenses and fees incurred by General Contractor in connection therewith.

15.5 Subcontractor shall insert in all of its own subcontracts and purchase orders a provision incorporating therein by reference all terms and provisions of the Contract Documents, including this Agreement, and shall provide in all of such subcontracts and purchase orders that to the extent any term or provision therein shall be inconsistent with the terms and provisions of this Agreement, the terms and provisions of this Agreement shall govern; and there shall be specifically incorporated in all of such subcontracts and purchase orders this paragraph of this Subcontract relating to "Disputes," and binding such subcontractors and suppliers of Subcontractor to all provisions thereof just as if such subcontractors and suppliers of this Subcontractor were parties to this Agreement.

15.6 No action shall be maintained against General Contractor upon any claim by Subcontractor, whether or not arising out of or based upon this Agreement or by reason of any action, omission, or requirement of General Contractor, unless commenced within thirty (30) days after the Work was completed or the last materials were furnished under this Agreement were furnished, or from any alleged breach of this agreement or from the date of any act or tort forming the basis of such claim, whichever occurs first.

15.7 If at any time any controversy should arise between General Contractor and Subcontractor with respect to any matter or thing involved in this Agreement or the Project, then Subcontractor shall conclusively be bound by and abide by General Contractor's decision, unless Subcontractor shall notify General Contractor in writing not later than fifteen (15) days following receipt of notice of General Contractor's decision of its disagreement with such decision and setting forth with particularity each area of, and the basis for, such disagreement. Whether such disagreement shall be arbitrated and the place of arbitration shall be determined solely by General Contractor. If General Contractor elects to arbitrate such dispute, then the arbitration shall be conducted under the Construction Industry Arbitration Rules of the American Arbitration Association. If General Contractor elects not to arbitrate such dispute, then Subcontractor is free to pursue whatever other remedy Subcontractor elects, but in any event, Subcontractor shall complete the Work in the manner and within the time provided in this Agreement and as directed by General Contractor, and the pendency of any dispute or proceeding of any type shall not excuse any interruption, deficiency, delay, default or noncompliance by Subcontractor.

ARTICLE 16

MISCELLANEOUS TERMS

16.1 Subcontractor shall not assign or delegate any of its rights or obligations under this Agreement without the prior written consent of General Contractor, nor shall it subcontract the whole or any portion of the Work without the prior written consent of General Contractor. Subcontractor shall not assign any amounts due or to become due under this Agreement without prior written notice to General Contractor.

16.2 This Agreement, including the relevant portions of the Contract Documents, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior promises, letters, quotations and writings with respect to the subject matter hereof. This Agreement may only be modified in writing, executed by both parties.

16.3 If any provision of this Agreement or the application thereof to a person or circumstances shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable provisions had not been included in this Agreement. In the event any provision hereof shall be held by a court or competent jurisdiction to exceed permissible limits permitted by law, such provision shall be modified by the court and the provision deemed reasonable and enforceable by the court shall become and thereafter be the provision hereunder.

16.4 The waiver by General Contractor of any breach or Event of Default shall not constitute a waiver of any subsequent breach or Event of Default with respect to the same or any other provision.

16.5 Subcontractor shall provide to Contractor all Material Safety Data Sheets for any of its Hazardous Substances to be utilized, stored, or otherwise incorporated in its work on this project as governed by the Hazardous Communications Standards printed in the current OSHA Standards for the Construction Industry. Subcontractor shall comply fully with its own requirements with respect to the maintenance of MSDS's at the job site. See **Exhibit D** attached hereto for additional information.

ARTICLE 17

ENUMERATION OF CONTRACT DOCUMENTS

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

- (i) The Agreement is this executed Subcontractor Agreement.
- (ii) Copy of the Owner and Contractor Agreement- AIA A101-1997 of which portions may have been redacted.
- (iii) Copy of the General Conditions of the Contract for Construction- AIA A201- 1997 of which portions may have been redacted.
- (iv) The Exhibits, if any, are as follows:
 - (a) Exhibit A1-A2 List of Drawings, Specifications and Addenda
 - (b) Exhibit B- Insurance Requirements
 - (c) Exhibit C- Contract Schedule
 - (d) Exhibit D- Hazardous Standards Compliance Data
 - (e) MBE / WBE Documents
 - (f) Certified Payroll Documents

IN WITNESS WHEREOF, the undersigned have executed this Subcontract Agreement as of the date first above written.

LINN-MATHES INC.

BY: _____
ROBERT J. MATHES

ITS: _____
VICE PRESIDENT

DATE: _____

BY: _____

ITS: _____

DATE: _____

Exhibit J

CHA REQUIREMENTS

The following documents are attached, which were originally attached as exhibits to the Amended and Restated Contract for Redevelopment between Parkside Associates, LLC, Daniel E. Levin and the Habitat Company LLC, and the Chicago Housing Authority:

Exhibit J-1- Contract Compliance Form

Exhibit J-2- HUD General Terms and Conditions

Exhibit J-3- Contractor/Subcontractor Certifications and Assurances

Exhibit J-4- Consent and Agreement of Contractor

Exhibit J-5- Form of Sworn Statement and Lien Waiver

Exhibit J-6- Amendment to Special Conditions MBE/WBE Utilization Plan

Exhibit J-7- Section 3 Requirements

EXHIBIT J-1
CONTRACT COMPLIANCE FORMS

CHICAGO HOUSING AUTHORITY (CHA)
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE A - MBE/WBE/DBE UTILIZATION PLAN

(To Be Completed by PRIME CONTRACTOR)

SPEC. OR RFP OR PURCHASE ORDER NO: _____

SPEC OR RFP TITLE: _____

PRIME CONTRACTOR NAME(S): _____

(ADDRESS)

(TELEPHONE NUMBER)

Ethnicity: _____

Gender: _____

FEDERAL TAX IDENTIFICATION OR SOCIAL SECURITY NO. : _____

CONTRACT AMOUNT \$ _____ MBE\WBE TOTAL \$ _____

I. DIRECT PARTICIPATION

The Contractor shall in determining the manner of MBE/WBE/DBE participation, first consider involvement with MBE/WBE/DBE companies as subcontractors, suppliers of goods and services, or as joint venture partners, directly related to the performance of this contract. MBE/WBE/DBEs utilized for direct or indirect participation must be currently certified by one of the following agencies: City of Chicago, METRA, PACE, Cook County, State of Illinois - Central Management Services (CMS), Women Business Development Center (WBDC), Chicago Transit Authority (CTA), the Chicago Minority Business Development Council (CMBDC), Illinois Department of Transportation (IDOT), and/or the Small Business Administration (SBA 8(a)). **Firms seeking M/W/DBE subcontracting credit via Direct or Indirect participation must include one (1) current certification from CHA approved certifying agencies. A copy of a current Letter of Certification is required. Applications for certified status will not be accepted. For contractors whose principal business address is located out of the metropolitan Chicago area, certification of comparable agencies will be considered.**

A. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TELEPHONE NUMBER

MBE/WBE/DBE DOLLARS: _____

WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____

Anticipated Timeframe for performance:

(At what percentage of project is work to be performed by this subcontractor:

CHICAGO HOUSING AUTHORITY (CHA)
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE A - MBE/WBE/DBE UTILIZATION PLAN

(To Be Completed by PRIME CONTRACTOR)

B. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TELEPHONE NUMBER _____

MBE/WBE/DBE DOLLARS: _____

WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____

Anticipated Timeframe for performance: _____

(At what percentage of project is work to be performed by this subcontractor?)

C. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TELEPHONE NUMBER _____

MBE/WBE/DBE DOLLARS: _____

WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____

Anticipated Timeframe for performance: _____

(At what percentage of project is work to be performed by this subcontractor?)

D. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TELEPHONE NUMBER _____

MBE/WBE/DBE DOLLARS: _____

WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____

Anticipated Timeframe for performance: _____

(At what percentage of project is work to be performed by this subcontractor?)

CHICAGO HOUSING AUTHORITY (CHA)
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE A - MBE/WBE/DBE UTILIZATION PLAN

(To Be Completed by PRIME CONTRACTOR)

II. INDIRECT PARTICIPATION

This section need not be completed if the MBE/WBE/DBE goal has been met through item I. DIRECT participation as outlined in *Article I of the Amendment to Special Conditions MBE/WBE/DBE Utilization Plan.*

After exhausting reasonable good faith efforts and with prior CHA approval, the bidder/proposer may also meet all or part of the CHA's MBE/WBE/DBE commitment goals by contracting with MBE/WBE/DBEs for the provision of goods and services not directly related to the performance of the contract. Indirect participation can be demonstrated by providing copies of canceled checks (both front and back) paid to the certified subcontractors, and a Letter of Certification that was current at the time the checks were issued to the subcontractor. Indirect participation must have occurred within a six month period of the dates of this contract and will not be considered as acceptable participation on multiple contracts or for use on more than one contract.

A. COMPANY NAME: _____
ADDRESS: _____
CONTACT PERSON: _____
TELEPHONE NUMBER _____
MBE/WBE/DBE DOLLARS: _____
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____
Timeframe of/for performance: _____

B. COMPANY NAME: _____
ADDRESS: _____
CONTACT PERSON: _____
TELEPHONE NUMBER: _____
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____
Timeframe of/for performance: _____

CHICAGO HOUSING AUTHORITY (CHA)
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE A - MBE/WBE/DBE UTILIZATION PLAN

(To Be Completed by PRIME CONTRACTOR)

- C. COMPANY NAME: _____
ADDRESS: _____
CONTACT PERSON: _____
TELEPHONE NUMBER _____
MBE/WBE/DBE DOLLARS: _____
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____
Timeframe of/for performance: _____
- D. COMPANY NAME: _____
ADDRESS: _____
CONTACT PERSON: _____
TELEPHONE NUMBER: _____
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____
Timeframe of/for performance: _____
- E. COMPANY NAME: _____
ADDRESS: _____
CONTACT PERSON: _____
TELEPHONE NUMBER: _____
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____
Timeframe of/for performance: _____

CHICAGO HOUSING AUTHORITY (CHA)
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE A - MBE/WBE/DBE UTILIZATION PLAN

(To Be Completed by PRIME CONTRACTOR)

AFFIDAVIT OF PRIME CONTRACTOR

To the best of my knowledge, information and belief, the facts and representations contained in this Schedule A are true and no material facts have been omitted.

The undersigned will enter into agreements with the above listed companies for work as indicated on this Schedule A within five (5) days after receipt of a signed contract executed by the Chicago Housing Authority. Copies of agreements including but not limited to joint ventures, subcontracts supplier agreements, purchase orders referencing the SPEC., RFP, or Purchase Order Number shall be forwarded to the Procurement & Contracts Department, Contract Compliance Section, 626 West Jackson, 2nd Floor., Chicago, Illinois 60661.

I do solemnly declare and affirm under the penalty of perjury that the contents of the forgoing document are true and correct, and that I am authorized on behalf of the Prime Contractor to make this affidavit.

(NAME OF PRIME CONTRACTOR - PRINT OR TYPE)

(SIGNATURE OF AUTHORIZED OFFICER)

(DATE)

(NAME OF AFFIANT - PRINT OR TYPE)

STATE OF _____ COUNTY OF _____

ON THIS _____ DAY OF _____ 19____

BEFORE ME APPEARED (NAME)
TO ME PERSONALLY KNOWN WHO, BEING DULY SWORN, DID EXECUTE THE
FOREGOING AFFIDAVIT, AND DID STATE THAT HE OR SHE WAS PROPERLY
AUTHORIZED BY (NAME OF COMPANY) _____ TO
EXECUTE THIS AFFIDAVIT AND DID SO AS HIS OR HER FREE ACT AND DEED.

NOTARY PUBLIC _____

(SEAL)

COMMISSION EXPIRES:

For assistance, contact the Procurement & Contracts Department, Contract Compliance Division at
(312) 742-9546.

**CHICAGO HOUSING AUTHORITY (CHA)
Procurement & Contracts Department Contract Compliance Division**

**SCHEDULE B
Letter of Intent MBE/WBE/DBE Subcontractors, Suppliers, Consultants**

TO: THE CHICAGO HOUSING AUTHORITY CONTRACT COMPLIANCE DIVISION

FROM: _____ **MBE WBE DBE**
(NAME OF MBE/WBE COMPANY) (circle status)

FEIN: ETHNICITY GENDER

PRIME CONTRACTOR: _____
(NAME) (TELEPHONE NUMBER)

(ADDRESS)

SPEC., RFP OR PURCHASE ORDER NO.

SPEC., RFP OR PURCHASE ORDER TITLE

The MBE/WBE/DBE status of the undersigned is confirmed by the attached Letters of Certification from at least two of the following agencies: City of Chicago, Chicago Minority Business Development Council (CMBDC), METRA, PACE, Cook County, State of Illinois - Central Management Services (CMS), Illinois Department of Transportation (IDOT), Chicago Transit Authority (CTA), Women Business Development Center (WBDC) or the Small Business Administration (SBA 8(a)) Program.

Will the MBE/WBE/DBE subcontract any of the work to be performed on this contract to another firm? Yes No

If yes, explain _____

List commodities/services to be provided for the above-referenced contract:

Indicate the total dollar value and the terms of the agreement including but not limited to joint venture, subcontract, supplier or purchase order agreements on the above-referenced contract: \$ _____

Terms of Contract: _____

CHICAGO HOUSING AUTHORITY (CHA)
Procurement & Contracts Department Contract Compliance Division

SCHEDULE B
Letter of Intent MBE/WBE/DBE Subcontractors, Suppliers, Consultants

AFFIDAVIT

The undersigned will enter into a signed agreement with the Prime Contractor listed above within five (5) days after receipt of a signed contract executed by the Chicago Housing Authority. Copies of agreements including but not limited to joint ventures, subcontracts, supplier agreements or purchase orders referencing the SPEC., RFP, or P. O. Number shall be forwarded to:

Department of Procurement & Contracts
Contract Compliance Division
60 E. Van Buren, 13th Floor
Chicago, Illinois 60605

I do solemnly declare and affirm under the penalty of perjury that the contents of the forgoing document are true and correct, and that I am authorized on behalf of the Subcontractor to make this affidavit.

(NAME OF MBE/WBE/DBE SUBCONTRACTOR/SUPPLIER - PRINT OR TYPE)

(SIGNATURE OF AUTHORIZED PRINCIPAL OR AGENT)

(DATE)

(NAME OF AFFIANT - PRINT OR TYPE)

STATE OF _____ COUNTY OF _____

ON THIS _____ DAY OF _____ 20____

BEFORE ME APPEARED (NAME) _____
to me personally known who, being duly sworn, did execute the foregoing affidavit, and did state that he or she was properly authorized by _____ to execute the affidavit and did so as his or her free act and deed.

NOTARY PUBLIC _____ (SEAL)

COMMISSION EXPIRES: _____

For assistance, contact the Department of Procurement & Contracts Contract Compliance Division at (312) 742-9546.

CHICAGO HOUSING AUTHORITY
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE W
WAIVER REQUEST: MBE/WBE/DBE PARTICIPATION COMMITMENTS

SPEC OR RFP TITLE: _____

BIDDER/PROPOSER: _____

ADDRESS _____
Street City State Zip

CONTACT PERSON: _____ TITLE: _____

TELEPHONE #: () _____ FAX #: () _____

FEIN: _____ ETHNICITY: _____ GENDER: _____

PROPOSED BID AMOUNT: \$ _____

PLEASE STATE REASON FOR WAIVER REQUEST:

WHAT PERCENT OF SERVICES WILL BE PERFORMED BY BIDDER/PROPOSER? _____%

IF LESS THAN 100%, WHAT SERVICES WILL BE PERFORMED BY SOMEONE OTHER THAN
BIDDER/PROPOSER?

DOLLAR VALUE: \$ _____ CONTRACT TERM: _____

CHICAGO HOUSING AUTHORITY
Department of Procurement & Contracts Contract Compliance Division

SCHEDULE W
WAIVER REQUEST: MBE/WBE/DBE PARTICIPATION COMMITMENTS

I do solemnly declare and affirm under the penalty of perjury that the contents of the forgoing document are true and correct, and I am authorized on behalf of the Bidder/Proposer to make this affidavit.

Signature of Authorized Principal or Agent _____ Date: _____

Name of Affiant (Print or Type): _____

STATE OF _____ COUNTY OF _____

ON THIS _____ DAY OF _____ 20____

BEFORE ME APPEARED (NAME) _____ to
me personally known who, being duly sworn, did execute the foregoing affidavit, and did state that he
or she was properly authorized by (Name of Company) _____
to execute the affidavit and did so as his or her free act and deed.

NOTARY PUBLIC _____ (SEAL)

COMMISSION EXPIRED: _____

BELOW FOR CHICAGO HOUSING AUTHORITY USE ONLY

APPROVAL:

Director, Procurement & Contracts

DATE: _____

APPROVAL:

Chief Executive Officer

DATE: _____

EXHIBIT J-2

HUD GENERAL TERMS AND CONDITIONS

HUD GENERAL CONTRACT TERMS AND CONDITIONS
Adapted from HUD Form 5370 & 5370-C (11/2006)

Conduct of Work

1. **Definitions.** Defined terms used in this Exhibit shall have the meaning given below and are distinct from defined terms appearing elsewhere in this Agreement.

- (a) **“Contracting Officer”** means the person delegated the authority by the PHA to enter into, administer, and/or terminate this contract and designated as such in writing to the Contractor. The term includes any successor Contracting Officer and any duly authorized representative of the Contracting Officer also designated in writing. The Contracting Officer shall be deemed the authorized agent of the PHA in all dealings with the Contractor.
- (b) **“Contractor”** means the Developer.
- (c) **“HUD”** means the United States of America acting through the Department of Housing and Urban Development including the Secretary, or any other person designated to act on its behalf. HUD has agreed, subject to the provisions of an Annual Contributions Contract (ACC), to provide financial assistance to the PHA, which includes assistance in financing the work to be performed under this contract. As defined elsewhere in these General Conditions or the contract documents, the determination of HUD may be required to authorize changes in the work or for release of funds to the PHA for payment to the Contractor. Notwithstanding HUD’s role, nothing in this contract shall be construed to create any contractual relationship between the Contractor and HUD.
- (d) **“Project”** means the entire project, whether construction or rehabilitation, the work for which is provided for in whole or in part under this contract.
- (e) **“PHA”** means the Public Housing Agency organized under applicable state laws, which is a party to this contract.
- (f) **“Specifications”** means the written description of the technical requirements for construction and includes the criteria and tests for determining whether the requirements are met.
- (g) **“Work”** means materials, workmanship, and manufacture and fabrication of components.

2. Health, Safety, and Accident Prevention

- (a) In performing this contract, the Contractor shall:
 - (1) Ensure that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his/her health and/or safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation;
 - (2) Protect the lives, health, and safety of other persons;
 - (3) Prevent damage to property, materials, supplies, and equipment; and,
 - (4) Avoid work interruptions.
- (b) For these purposes, the Contractor shall:
 - (1) Comply with regulations and standards issued by the Secretary of Labor at 29 CFR Part 1926. Failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96), 40 U.S.C. 3701 et seq.; and
 - (2) Include the terms of this clause in every subcontract so that such terms will be binding on each subcontractor.

- (c) The Contractor shall maintain an accurate record of exposure data on all accidents incident to work performed under this contract resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment, and shall report this data in the manner prescribed by 29 CFR Part 1904.
- (d) The Contracting Officer shall notify the Contractor of any noncompliance with these requirements and of the corrective action required. This notice, when delivered to the Contractor or the Contractor's representative at the site of the work, shall be deemed sufficient notice of the noncompliance and corrective action required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to take corrective action promptly, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Contractor shall not base any claim or request for equitable adjustment for additional time or money on any stop order issued under these circumstances.
- (e) The Contractor shall be responsible for its subcontractors' compliance with the provisions of this clause. The Contractor shall take such action with respect to any subcontract as the PHA, the Secretary of Housing and Urban Development, or the Secretary of Labor shall direct as a means of enforcing such provisions.

3. Protection of Existing Vegetation, Structures, Equipment, Utilities, and Improvements

- (a) The Contractor shall preserve and protect all structures, equipment, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed under this contract, and which do not unreasonably interfere with the work required under this contract.
- (b) The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance of this contract, or by the careless operation of equipment, or by workmen, the Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree-pruning compound as directed by the Contracting Officer.
- (c) The Contractor shall protect from damage all existing improvements and utilities (1) at or near the work site and (2) on adjacent property of a third party, the locations of which are made known to or should be known by the Contractor. Prior to disturbing the ground at the construction site, the Contractor shall ensure that all underground utility lines are clearly marked.
- (d) The Contractor shall shore up, brace, underpin, secure, and protect as necessary all foundations and other parts of existing structures adjacent to, adjoining, and in the vicinity of the site, which may be affected by the excavations or other operations connected with the construction of the project.
- (e) Any equipment temporarily removed as a result of work under this contract shall be protected, cleaned, and replaced in the same condition as at the time of award of this contract.

4. Clean Air and Water

The contractor shall comply with the Clean Air Act, as amended, 42 USC 7401 et seq., the Federal Water Pollution Control Water Act, as amended, 33 U.S.C. 1251 et seq., and standards issued pursuant thereto in the facilities in which this contract is to be performed.

5. Energy Efficiency

The Contractor shall comply with mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under the contract is performed.

6. Prohibition Against Liens

The Contractor is prohibited from placing a lien on the PHA's property. This prohibition shall apply to all subcontractors at any tier and all materials suppliers.

7. Subcontracting with Small and Minority Firms, Women's Business Enterprise, and Labor Surplus Area Firms

The Contractor shall take the following steps to ensure that, whenever possible, subcontracts are awarded to small business firms, minority firms, women's business enterprises, and labor surplus area firms:

- (a) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (b) Ensuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- (c) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- (d) Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small and minority businesses and women's business enterprises; and
- (e) Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and State and local governmental small business agencies.

8. Equal Employment Opportunity

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or handicap.
- (b) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin, or handicap. Such action shall include, but not be limited to, (1) employment, (2) upgrading, (3) demotion, (4) transfer, (5) recruitment or recruitment advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training, including apprenticeship.
- (c) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.
- (d) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, or handicap.
- (e) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.
- (f) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.
- (g) The Contractor shall furnish all information and reports required by Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto. The Contractor shall permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (h) In the event of a determination that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, or Federally assisted construction contracts under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and

remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

- (i) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor. The Contractor shall take such action with respect to any subcontract or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.
- (j) Compliance with the requirements of this clause shall be to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act and the Indian Preference clause of this contract.

9. Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- (g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b)

requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

10. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.

11. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the PHA, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the PHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

12. Limitations on Payments made to Influence Certain Federal Financial Transactions

- (a) The Contractor agrees to comply with Section 1352 of Title 31, United States Code which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: 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; or the modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The Contractor further agrees to comply with the requirement of the Act to furnish a disclosure (OMB Standard Form LLL, Disclosure of Lobbying Activities) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) 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 a Federal contract, grant, loan, or cooperative agreement.

13. Royalties and Patents

The Contractor shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save the PHA harmless from loss on account thereof; except that the PHA shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Contractor has no reason to believe that the specified design, process, or product is an infringement. If, however, the Contractor has reason to believe that any design, process or product specified is an infringement of a patent, the Contractor shall promptly notify the Contracting Officer. Failure to give such notice shall make the Contractor responsible for resultant loss.

14. Examination and Retention of Contractor's Records

- (a) The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to (1) appeals under the Disputes clause of this contract, (2) litigation or settlement of claims arising from the performance of this contract, or (3) costs and expenses of this contract to which the PHA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

15. Labor Standards - Davis-Bacon and Related Acts

If the total amount of this contract exceeds \$2,000, the Federal labor standards set forth in the clause below shall apply to the development or construction work to be performed under the contract.

(a) Minimum Wages.

- (1) All laborers and mechanics employed under this contract in the development or construction of the project(s) involved will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the regular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits in the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.
- (2) (i) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when all the following criteria have been met: (A) The work to be performed by the classification requested is not performed by a classification in the wage determination; and (B) The classification is utilized in the area by the construction industry; and (C) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (ii) If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employee Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

- (iii) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator of the Wage and Hour Division for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.
- (iv) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(2)(ii) or (iii) of this clause shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in classification.
- (3) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (4) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program; provided, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
- (b) Withholding of funds. HUD or its designee shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the Contractor under this contract or any other Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working in the construction or development of the project, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the Contractor, disburse such amounts withheld for and on account of the Contractor or subcontractor to the respective employees to whom they are due.
- (c) Payrolls and basic records.
- (1) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working in the construction or development of the project. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under 29 CFR 5.5(a)(1)(iv), that the wages of any laborer or mechanic include the amount of costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

- (2) (i) The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under subparagraph (c)(1) of this clause. This information may be submitted in any form desired. Optional Form WH-347 (Federal Stock Number 029-005-00014-1) is available for this purpose and may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The Contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1214-0149.)
- (ii) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
- (a) That the payroll for the payroll period contains the information required to be maintained under paragraph (c) (1) of this clause and that such information is correct and complete;
 - (b) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3; and
 - (c) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- (iii) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirements for submission of the "Statement of Compliance" required by subparagraph (c)(2)(ii) of this clause.
- (iv) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.

(3) The Contractor or subcontractor shall make the records required under subparagraph (c)(1) available for inspection, copying, or transcription by authorized representatives of HUD or its designee, the Contracting Officer, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

- (d) (1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship and Training, Employer and Labor Services (OATELS), or with a State Apprenticeship Agency recognized by OATELS, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by OATELS or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in this paragraph, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage

rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event OATELS, or a State Apprenticeship Agency recognized by OATELS, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed in the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate in the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate in the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate in the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(3) Equal employment opportunity. The utilization of apprentices, trainees, and journeymen under this clause shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

- (e) Compliance with Copeland Act requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this contract.
- (f) Contract termination; debarment. A breach of this contract clause may be grounds for termination of the contract and for debarment as a Contractor and a subcontractor as provided in 29 CFR 5.12.
- (g) Compliance with Davis-Bacon and related Act requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (h) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this clause shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the PHA, HUD, the U.S. Department of Labor, or the employees or their representatives.
- (i) Certification of eligibility.

- (1) By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - (2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a United States Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - (3) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.
- (j) Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.
- (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics, including watchmen and guards, shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.
 - (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions set forth in subparagraph (j)(1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic (including watchmen and guards) employed in violation of the provisions set forth in subparagraph (j)(1) of this clause, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by provisions set forth in subparagraph (j)(1) of this clause.
 - (3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions set forth in subparagraph (j)(2) of this clause.
- (k) Subcontracts. The Contractor or subcontractor shall insert in any subcontracts all the provisions contained in this clause, and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these provisions in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all these provisions.

16. Non-Federal Prevailing Wage Rates

- (a) Any prevailing wage rate (including basic hourly rate and any fringe benefits), determined under State or tribal law to be prevailing, with respect to any employee in any trade or position employed under the contract, is inapplicable to the contract and shall not be enforced against the Contractor or any subcontractor, with respect to employees engaged under the contract whenever such non-Federal prevailing wage rate exceeds:
 - (1) The applicable wage rate determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141 et seq.) to be prevailing in the locality with respect to such trade;
- (b) An applicable apprentice wage rate based thereon specified in an apprenticeship program registered with the U.S. Department of Labor (DOL) or a DOL-recognized State Apprenticeship Agency; or
- (c) An applicable trainee wage rate based thereon specified in a DOL-certified trainee program.

17. Procurement of Recovered Materials.

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.
- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

EXHIBIT 3-3

CONTRACTOR/SUBCONTRACTOR CERTIFICATIONS AND ASSURANCES

The following certifications must be made by every contractor and subcontractor of the Developer (referred to as “**Subcontractors**” or “**Subcontractor**” as the context requires):

The Subcontractor executing this certification hereby assures and certifies that it will comply with all of the applicable requirements of the following, as the same may be amended from time to time:

1. The Fair Housing Act (42 U.S.C. 3601-19) and regulations pursuant thereto (24 C.F.R. part 100); Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 C.F.R. part 107); and the fair housing poster regulations (24 C.F.R. part 110);

2. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations pursuant thereto (24 C.F.R. part 1) relating to non-discrimination in housing;

3. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 C.F.R. part 146);

4. The prohibitions against discrimination on the basis of disability (including requirements that the Grantee make reasonable modifications and accommodations and make units accessible) under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 C.F.R. part 8); the Americans with Disabilities Act (42 U.S.C. 12101 et seq. and its implementing regulation at 28 C.F.R. part 36; and the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations issued pursuant thereto (24 C.F.R. part 40);

5. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 C.F.R. part 135;

6. Executive Orders 11246, 11625, 12432, and 12138. Consistent with HUD's responsibilities under these Orders, the Grantee must make efforts to encourage the use of minority and women's business enterprises in connection with funded activities;

7. Subgrantees only must provide drug-free workplaces in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. 701), and HUD's implementing regulations at 24 C.F.R. part 24, subpart F. Each subgrantee must complete a Certification for a Drug-Free Workplace (Form HUD-50070) in accordance with 24 C.F.R. 24.630.

8. The provisions of 24 C.F.R. part 24, which apply to the employment, engagement of services, awarding of contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.

9. The following labor standards: Davis-Bacon or HUD-determined wage rates apply to development or operation of revitalized housing to the extent required under Section 12 of the U.S. Housing Act of 1937. In the case of demolition, Davis-Bacon wage rates apply to demolition followed by construction on the site; HUD-determined wage rates apply to demolition followed only by filling in the site and establishing a lawn. Under Section 12, the wage rate requirements do not apply to individuals who: perform services for which they volunteered; do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and are not otherwise employed in the work involved (24 C.F.R. part 70). In addition, if other Federal programs are used in connection with the public housing development funds, labor standards requirements apply to the extent required by the other Federal programs, on portions of the project that are not subject to Davis-Bacon rates under the Act.

10. The requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et. seq.) and implementing regulations at 24 C.F.R. parts 35 and 965 (subpart H) and section 968.100(k), as amended. Unless otherwise provided, it will be responsible for testing and abatement activities, if applicable.

11.a. Nonprofit subgrantees, contractors, or subcontractors will comply with the requirements, policies and standards of:

- i. 24 C.F.R. part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations);
- ii. A-122 (Cost Principles for Non-Profit Organizations); and
- iii. the audit requirements of 24 C.F.R. 84.26.

b. For-profit Subcontractors will comply with the requirements, policies and standards of:

- i. 24 C.F.R. part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations); and
- ii. the contract cost principles and procedures set forth in 48 C.F.R. part 31.
- iii. the audit requirements of 24 C.F.R. 84.26.

c. Subcontractors that are States, local governments, and Federally Recognized Indian Tribal Governments will comply with the requirements, policies, and standards of:

- i. 24 C.F.R. part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments),
- ii. the cost principles of OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments), and

iii. the audit requirements of 24 C.F.R. 85.26.

12. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 C.F.R. part 24.

13. Section 319 of Public Law 101-121, which prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government, and implemented for HUD at 24 C.F.R. part 87, as the same may be amended from time to time. The contractor/subcontractor will disclose promptly any commitment or expenditure of non-appropriated funds for lobbying activities if those activities would be prohibited if paid with appropriated funds.

14. The following contract provisions must be placed in all contracts of the Grantee pursuant to 24 C.F.R. 85.36 (i). Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(a) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(b) Termination for cause and for convenience by the Grantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

(c) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapter 60). (All construction contracts awarded in excess of \$10,000 by Grantees and their contractors)

(d) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3). (All contracts for construction or repair)

(e) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. part 5). (Construction contracts in excess of \$2000 awarded by Grantees when required by Federal grant program legislation)

(f) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 C.F.R. part 5). (Construction contracts awarded by Grantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

(g) Notice of awarding agency requirements and regulations pertaining to reporting.

(h) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention that arises or is developed in the course of or under such contract.

(i) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(j) Access by the Grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(k) Retention of all required records for three years after Grantees make final payments and all other pending matters are closed.

(l) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15). (Contracts and subcontracts of amounts in excess of \$100,000).

(m) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

The information contained in this certification is true and accurate to the best of my knowledge.

Signature of Authorized Certifying Official

Title

Organization

EXHIBIT J-4

Form of Contractors Consent (including Architect)

CONSENT AND AGREEMENT OF CONTRACTOR

The undersigned Contractor hereby acknowledges and consents to the assignment to **Daniel E. Levin** and **The Habitat Company LLC**, an Illinois limited liability company, (collectively, the "**Receiver**"), in their capacity as Receiver for the development of new non-elderly public housing in the City of Chicago and the **Chicago Housing Authority**, a municipal corporation organized and existing under the laws of the State of Illinois (the "**Authority**" and collectively, with the Receiver, the "**Receiver/Authority**") of its contract with [Insert Borrower's Name]; entitled " _____," dated _____, 200_ (the "**Contract**"), pursuant to that certain Assignment of Project Documents (the "**Assignment**") that serves as security for a loan from the Receiver/Authority ("**Lender**") to [Insert Borrower's Name] (the "**Borrower**"). Contractor agrees to recognize, honor and be bound by the terms, provisions and conditions of the Assignment.

1. The Contractor agrees:
 - a. to furnish to Lender copies of all written notices of default given by Contractor to Borrower with respect to any failure of Borrower to perform under the Contract, and, anything in the Contract to the contrary notwithstanding, Borrower shall never be treated as being in breach of its obligations under the Contract unless and until notice of the claimed breach has been given to Lender and Lender has been given a reasonable opportunity to cure any such breach after receipt of said notice from the Contractor;
 - b. to accept any such performance by Lender as performance by the Borrower; and
 - c. so long as Lender commences to cure or cause to be cured any such breach, and the cure is carried on with due diligence (or in the case of a breach of Borrower's payment obligations to the Contractor, so long as Lender pays or causes to be paid any sums payable from time to time by Borrower to Contractor under the Contract within a reasonable time after the same become due), then Contractor will continue to meet its obligations fully under the Contract and will not terminate the Contract or suspend work thereunder.
2. The Contractor acknowledges and agrees that Lender shall have no obligation to commence or continue the cure of any such breach or to pay or perform any obligation of Borrower to the Contractor except to the extent provided in the foregoing Assignment.

3. The Contractor waives all recourse against Lender for all claims, whether for amounts due or otherwise, which it may have against Borrower first accruing or arising prior to any Event of Default under the Borrower's loan documents with Lender.
4. The Contractor hereby expressly waives all provisions in the Contract that would impair, hinder or prevent the making of the Assignment by Borrower or the enforcement thereof by Lender.
5. The Contractor hereby represents and warrants to Lender that the Contract is in full force and effect on the date hereof and has not been amended or modified and that there are no uncured breaches thereof by any party thereto.
6. The Contractor further agrees that:
 - a. Without the prior written approval of Lender, the Contractor will not enter into any agreement terminating, amending or modifying the terms, provisions or conditions of the Contract in any material respect;
 - b. Contractor will deliver simultaneously to Lender copies of all change order requests delivered to Borrower;
 - c. Upon any Event of Default shall occur under any of the loan documents between Borrower and Lender, Lender shall have an absolute right to use and copy all drawings, plans and/or specifications and other materials prepared by or for the Contractor with respect to the Project; and
 - d. Upon Lender's request, the Contractor will provide Lender a schedule showing all amounts earned by the Contractor under the Contract.
7. All notices, requests, demands, approvals, or other communications given hereunder or in connection with this Agreement shall be in writing and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, addressed as follows:

If to Contractor:

[INSERT NAME AND ADDRESS]

If to Lender:

The Habitat Company LLC
350 West Hubbard Street
Chicago, Illinois 60654

Attn: Lawrence Grisham

And : Chicago Housing Authority
60 East Van Buren Street
Chicago, Illinois 60605
Attn: Executive Vice President
Office of Development Management

A copy of all notices under this Agreement shall also be delivered to the Borrower.

8. This Consent and Agreement of Contractor shall bind the Contractor and its representatives, successors and assigns, and shall inure to the benefit of Lender and Lender's successors and assigns, including, without limitation, any subsequent Holder of the Note.
9. All capitalized terms used herein shall have the meanings ascribed such terms in the Loan Agreement unless otherwise expressly defined herein.

Executed as an instrument under seal this ____ day of _____,
200_.

CONTRACTOR:

[NAME OF CONTRACTOR]

By: _____
Name: _____
Title: _____

EXHIBIT J-5

SWORN STATEMENT AND LIEN WAIVER

EXHIBIT Q

SWORN OWNER'S STATEMENT

STATE OF ILLINOIS)
COUNTY OF COOK)

STATE OF ILLINOIS)
COUNTY OF COOK)

The affiant, _____, being duly sworn on oath deposes and says that it is the owner of the following described premises in Cook County, Illinois, to wit:

- 1) That he is thoroughly familiar with all the facts and circumstances concerning the premises described above;
- 2) That during the six months last past the only work done or materials furnished in connection with the mentioned premises are listed below;
- 3) That the only contracts let for the furnishing of future work or materials relative to the contemplated improvements are listed below; and
- 4) That this statement is a true and correct statement of all such contracts, previous payments, and balances due, if any.

NAME AND ADDRESS	KIND OF WORK (EXAMPLES)	BUDGET	PREVIOUSLY PAID	AMOUNT OF THIS PYMT.	BALANCE TO BECOME DUE
USE:					
To Be Let	Demolition & Environmental Remediation	0.00	0.00	0.00	0.00
To Be Let	Site Development & Infrastructure	0.00	0.00	0.00	0.00
To Be Let	Site Development & Infrastructure Contingency	0.00	0.00	0.00	0.00
To Be Let	Residential Construction	0.00	0.00	0.00	0.00
To Be Let	Residential Construction - Profit & Overhead	0.00	0.00	0.00	0.00
To Be Let	Residential Construction - GC	0.00	0.00	0.00	0.00
To Be Let	Residential Construction - Contingency	0.00	0.00	0.00	0.00
To Be Let	P&P Bond	0.00	0.00	0.00	0.00
To Be Let	Retail Construction	0.00	0.00	0.00	0.00
To Be Let	Retail Construction - Contingency	0.00	0.00	0.00	0.00
To Be Let	Developer Services Fee	0.00	0.00	0.00	0.00
To Be Let	Environmental Report	0.00	0.00	0.00	0.00
To Be Let	Market Study	0.00	0.00	0.00	0.00
To Be Let	Accounting	0.00	0.00	0.00	0.00
To Be Let	Construction Loan Interest	0.00	0.00	0.00	0.00
To Be Let	Planning	0.00	0.00	0.00	0.00
To Be Let	Architectural - Planning & Design	0.00	0.00	0.00	0.00
To Be Let	Architectural - Supervision	0.00	0.00	0.00	0.00
To Be Let	Engineers	0.00	0.00	0.00	0.00
To Be Let	HOPE VI Program Management	0.00	0.00	0.00	0.00
To Be Let	Lease Publication	0.00	0.00	0.00	0.00
To Be Let	Other Consulting	0.00	0.00	0.00	0.00
To Be Let	Marketing and Leasing	0.00	0.00	0.00	0.00
To Be Let	Loan Origination	0.00	0.00	0.00	0.00
To Be Let	Lender Legal Fees	0.00	0.00	0.00	0.00
To Be Let	Tax Credit Application Fee	0.00	0.00	0.00	0.00
To Be Let	Tax Credit Reservation Fee	0.00	0.00	0.00	0.00
To Be Let	Legal	0.00	0.00	0.00	0.00
To Be Let	Title, Recording, Survey, Appraisal	0.00	0.00	0.00	0.00
To Be Let	Insurance - construction period	0.00	0.00	0.00	0.00
To Be Let	Developer Fee	0.00	0.00	0.00	0.00
To Be Let	Replacement Reserve	0.00	0.00	0.00	0.00
To Be Let	Tax and Insurance Reserve	0.00	0.00	0.00	0.00
To Be Let	TIF Reserve	0.00	0.00	0.00	0.00
To Be Let	Operating Deficit Reserve	0.00	0.00	0.00	0.00
To Be Let	Affordability Reserve	0.00	0.00	0.00	0.00
	TOTAL USE:	\$0.00	\$0.00	\$0.00	\$0.00

NAME AND ADDRESS	BUDGET	PREVIOUSLY PAID	AMOUNT OF THIS PYMT.	BALANCE TO BECOME DUE
SOURCE:				
To Be Let	First Mortgage	0.00	0.00	0.00
To Be Let	Equity	0.00	0.00	0.00
To Be Let	HOPE VI Mortgage - at AFR	0.00	0.00	0.00
To Be Let	HOA Housing Trust Funds	0.00	0.00	0.00
To Be Let	CHA Capital Funds	0.00	0.00	0.00
To Be Let	COH HOME Funds	0.00	0.00	0.00
	TOTAL SOURCE:	\$0.00	\$0.00	\$0.00

SIGNED:

Subscribed and sworn to me this ___ day of _____, 20__.

Notary Public:

WAIVER OF LIEN TO DATE

STATE OF ILLINOIS)
COUNTY OF COOK)

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by
to furnish
for the premises known as
of which

THE undersigned, for and in consideration of

Dollars, and other good and valuable considerations, the receipt whereof is hereby acknowledged,

do(es) hereby waive and release any and all lien of claims 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.

Given under _____ my _____ hand _____ and seal _____ this _____ day of _____, 2003

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 of for a partnership, the partnership name should be used, partner should sign and designate himself as partner.

CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS)
COUNTY OF COOK)

TO WHOM IT MAY CONCERN:

THE undersigned, being duly sworn, deposes and says that he is

of the _____ \$ 0.00
who is the contractor for the _____ \$ 0.00
work on the building located at _____
owned by _____ \$ 0.00
That the total amount of the contract including extra is \$ _____ \$ 0.00

0.00 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 the 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 WHA CONTRACT AMOUNT
FOR PRICE PAID

Total 0.00 0.00

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 the above stated.

Signed this _____ day of _____, 2003

Signature: _____

Subscribed and sworn to before me this _____ day of _____, 2003

EXHIBIT J-6

AMENDMENT TO SPECIAL CONDITIONS MBE/WBE UTILIZATION PLAN

AMENDMENT TO SPECIAL CONDITIONS
MBE/WBE UTILIZATION PLAN

ARTICLE I: POLICY AND TERMS

- A. It is the policy of the Chicago Housing Authority (CHA) that Minority, and Women Business Enterprises (MBE/WBE) as defined in regulations developed by the Secretary of the Department of Housing and Urban Development (HUD) and promulgated in 24 CFR Part 85, HUD Handbook 7460.8 and 7485.1 REV-2 Section 6(a) and Notice PIH 88-11 (PHA) shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds and that bidders, proposers or contractors and their subcontractors or suppliers shall take all necessary and reasonable steps to ensure that MBE/WBEs shall have the maximum opportunity to compete for and perform contracts financed in whole or in part by federal funds.

This policy shall be implemented through the CHA's MBE/WBE Utilization Plan and called the MBE/WBE Participation Proposal. This Amendment to Special Conditions shall be incorporated by reference in its entirety and made a part of each and every Invitation For Bid (IFB), Request for Proposal (RFP), contract or similar procurement document issued or entered into by the CHA.

- B. Pursuant to the MBE/WBE participation requirements as set forth above, the CHA has Made findings and declarations in 93-CHA-136 and 93-CHA-137 as its basis for determinations with respect to its MBE/WBE Utilization Plan and its MBE/WBE commitment goals and MBE/WBE Participation Proposal.

Accordingly, a bidder/proposer or contractor agrees to expend not less than the following Percentages of the total contract price inclusive of all modifications and amendments, if awarded, for contract participation by MBE/WBEs.

1. Construction:		
Less than	- \$ 200,000	25%
\$200,001	- \$ 500,000	30%
\$500,001	- \$1,000,000	35%
Greater than	- \$1,000,000	40%
2. Materials, Supplies & Services		20%

- C. The bidder/proposer's compliance with the CHA's MBE/WBE commitment goals will be evaluated on the basis of a percentage of the total base bid. As indicated in Article 1 Section B, the MBE/WBE participation goals shall apply to the total dollar value of the contract, inclusive of all amendments, modifications and change orders. The bidder/proposer agrees to comply with the MBE/WBE commitment goal in any contract modification work.

- D. This commitment may be met through direct and/or indirect participation of MBE/WBEs as private managers, developers, subcontractors, suppliers and/or consultants in the performance of CHA contracts.
- E. Direct participation refers to the utilization of MBE/WBEs in the performance of this contract as follows:
1. The bidder/proposer's status as an MBE/WBE; or
 2. A joint venture with one or more MBE/WBEs on the contract(s); or
 3. Subcontracting a portion of the work performed on the contract(s) to one or more MBE/WBEs; or
 4. The purchase of supplies or materials used in the performance of the contract(s) from one or more MBE/WBEs; or
 5. Any combination of the above.
- F. Indirect participation refers to the utilization of MBE/WBEs as subcontractors, suppliers or consultants in the normal course of the bidder/proposer's business. This includes public and/or private sector contracts, purchase orders, invoices, etc.
- G. The bidder/proposer shall, in determining the manner of MBE/WVE participation, first consider the utilization of MBE/WBEs as joint venture partners, private managers, developers, prime contractors, subcontractors and/or suppliers of goods and services directly related to the performance of this contract. In all cases, the CHA requires that the bidder/proposer demonstrate the specific efforts undertaken to utilize MBE/WBEs directly in the performance of the contract.
- H. After exhausting reasonable good faith efforts and with prior CHA approval, the bidder/proposer may also meet all or part of the CHA's MBE/WBE commitment goals by contracting with MBE/WBEs for the provision of goods and services not directly related to the performance of the contract.
- I. Counting MBE/WBE Participation: Guidelines

Proposed MBE/WBEs must perform a commercially useful function in order to be considered eligible for participation in the CHA's MBE/WBE program. A company is considered to perform a commercially useful function responsible for actually performing, managing, and supervising the work involved. To determine whether an MBE/WBE is performing a commercially useful function, the CHA will review and evaluate the specific duties that will be performed by the MBE/WBE. Each MBE/WBE will be expected to perform all of the work contemplated for it by any subcontract or agreement through the use of its own employees and equipment.

1. The CHA reserves the right to deny or limit MBE/WBE credit to the bidder/proposer where any MBE/WBE is found to be engaged in substantial subcontracting or pass-through activities with others.

2. Credit for the participation of MBE/WBE as joint ventures shall be based upon a detailed analysis of the duties, responsibilities and risks undertaken by the MBE/WBE specified by the joint venture's executed agreement. The CHA reserves the right to deny or limit MBE/WBE credit to the bidder/proposer where any MBE/WBE joint venture partner is found to have duties, responsibilities, and risks of loss and management control over the joint venture that is not commensurate with or in proportion to its joint venture ownership.
3. MBE/WBE participation shall be counted toward the MBE/WBE goal set in the contract as follows:
 - i. Once an MBE/WBE is determined to be eligible in accordance with these rules, the total dollar value of the contract awarded to the MBE/WBE may be counted toward the MBE/WBE goal, except as indicated below.
 - ii. A bidder/proposer may count toward its MBE/WBE goal a portion of the total dollar value of a contract with a joint venture eligible under the standards of the Amendment to Special Conditions equal to the percentage of the ownership and control of the MBE/WBE venture.
 - iii. Bidder/proposer may count toward its MBE/WBE goal only expenditures to the MBE/WBEs that perform a commercially useful function in the performance of a contract. An MBE/WBE is considered to perform a commercially useful function when it is responsible for the execution of a distinct element of the contract work and actually performing, managing, and supervising the work involved.
 - iv. Consistent with normal industry practices, an MBE/WBE may enter into subcontracts. If an MBE/WBE bidder/proposer subcontracts a significantly greater portion of the work of the contract than would be expected on the basis of normal industry practices, the MBE/WBE shall be presumed not to be performing a commercially useful function. Evidence may be presented by the contractors involved to rebut this presumption.
 - v. A bidder/proposer may count toward its MBE/WBE goal, one hundred percent of its expenditures for materials and supplies required under the contract and obtained **from** an MBE/WBE regular dealer and one hundred percent of such expenditures to an MBE/WBE manufacturer.
 - vi. A bidder/proposer may count toward its MBE/WBE goal the following expenditures to MBE/WBEs that are not manufacturers or regular dealers.
 - a. The fees or commissions charged for providing bona fide services; such as, professional, technical, bidder/proposer or managerial, and assistance in the procurement of essential

personnel, facilities, equipment, materials or supplies required for performance of the contract, provided that the fees or commissions are determined by the CHA to be reasonable and not excessive as compared with fees or commissions customarily allowed for similar services and assistance.

- b. The fees or commissions charged for delivery of materials and supplies required on a job site (but not the cost of materials and supplies themselves) when the hauler, trucker, or delivery service is not also the manufacturer of or a regular dealer in the materials and supplies, provided that such fees are determined by the CHA to be reasonable and not excessive as compared with fees or commissions customarily allowed for similar services.
 - c. The fees or commissions charged for providing any bonds or insurance specifically required for the performance of the contract, provided that the fees or commissions are determined by the CHA to be reasonable and not excessive as compared with fees or commissions customarily allowed for similar services.
- J. Bidder/Proposers may also achieve compliance by petition for grant of relief or waiver from the CHA's MBE/WBE commitment goals on the bidder/proposer's letterhead, accompanied by documentation demonstrating that all reasonable "good faith" efforts were made toward fulfilling the goal (see Article IV).
- K. Failure of a bidder/proposer to carry out the commitments and policies with respect to MBE/WBEs shall constitute a material breach of contract and may result in the suspension or termination of a contract, the disqualification of the bidder/proposer for a future award of CHA contracts, the assessment of liquidated damages or such remedy as CHA deems appropriate (see Article IX).
- L. Compliance with the CHA's MBE/WBE participation commitment goals will not diminish or supplant Equal Employment Opportunity and Civil Rights provisions as specified elsewhere in this contract and as they relate to prime contractor and subcontractor obligations.

ARTICLE II: DEFINITIONS

- A. Area of Specialization – description of the MBE/WBEs business which has been determined to be most reflective of the MBE/WBEs claimed specialty or expertise. Each Letter of Certification contains a description of the MBE/WBEs area of specialty. The CHA reserves the right to investigate and determine active MBE/WBE participation specifically identified for this contract prior to award.

- B. Contractor – the individual or business entity selected by the CHA to (1) enter into contract negotiations with the CHA or (2) to receive an award of contract pursuant to an Invitation for Bid or Request for Proposal. Wherever the term Contractor appears, it shall also be construed to pertain to Architects, Engineers, Consultants or other professional service providers as applicable.
- C. Joint Venture – (1) an association of two or more businesses acting as a contractor or as a subcontractor in carrying out all or a definite portion of a contract in which each combine its property, capital efforts, skills, and knowledge, or (2) an enterprise formed after the date of the first publication of the CHA’s Invitations for Bids or Requests for Proposals to perform work on a contract, which, if the enterprise were continuing, would qualify as an MBE/WBE.
- D. Joint Venture Agreement – a fully executed and notarized copy of the joint venture Agreement submitted with the bid by a joint venture. In order to demonstrate the MBE/WBE partner’s share in the ownership, control, management responsibilities, risks in The profits of the joint venture, the proposed Joint Venture Agreement must contain specific details related to:
- Contributions of capital and equipment;
 - Work responsibilities or other performance to be undertaken by the MBE/WBE company;
 - Commitment of management, supervisory and operative personnel employed by the MBE/WBE to be dedicated to the performance of the contract. The Joint Venture Agreement must also clearly define each partner’s authority to contractually obligate the joint venture and each partner’s authority to expend joint venture funds (e.g. check signing authority).
- E. Manufacturer – a company that operates or maintains a factory of establishment that produces, on premises, the materials or supplies obtained by a contractor.
- F. Minority or Minority Group – may include, but is not limited to, the following racial or Ethnic groups:
- Black American; or
 - Hispanic American; or
 - Asian Pacific American (persons with origins from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, U.S. Trust Territory of the Pacific Islands, Northern Mariana Islands, Laos, Cambodia, Taiwan); or
 - Native American (American Indian, Eskimos, Aleut or Native Hawaiians); or
 - Subcontinent Asian Americans; or
 - Hasidic Jewish Americans.

- G. Minority Business Enterprise (MBE) – an independent business which performs a commercially useful function and which is 51% or more owned, controlled and operated on a day-to-day basis by one or more minority persons.
- H. “Participation Proposal” means an affidavit attesting to the MBE/WBE subcontractors that will be utilized on a given contract, stating the name, address, telephone number of MBE/WBE subcontractor/supplier, dollar amount and percentage of participation and the scope of work to be performed.
- I. “Regular Dealer – a company that owns or maintains a store, warehouse or other establishment in which materials or supplies required for the performance of the contract are bought, kept in stock, and regularly sold to the public in the usual course of business. To be considered a regular dealer, the company must engage in, as its principal business and in its own name, the purchase and sale of the products in question. A regular dealer in such bulk items as steel, cement, gravel, stone and petroleum products need not keep such products in stock if it owns or operates distribution equipment.
- I. Women Business Enterprise (WBE) – an independent business which performs a commercially useful function and which is 51% or more owned, controlled and operated on a day-to-day basis by one or more women.
- J. Utilization Plan – an affidavit attesting to the MBE/WBE subcontractors that will be utilized on a given contract, stating the names, addresses and telephone numbers of the MBE/WBE subcontractors/suppliers, dollar amount, percentage of participation and the scope of work to be performed.

ARTICLE III: MBE/WBE UTILIZATION PLAN: GUIDELINES GOVERNING SUBMISSION, EVALUATION AND APPROVAL

A. Submission of the MBE/WBE Participation Proposal

The following schedules and described documents constitute the bidder/proposer’s MBE/WBE Utilization Plan and must be submitted as part of the overall proposal/bid on or before the time set for that proposal or bid opening. The MBE/WBE Participation Proposal will be reviewed for completeness; all spaces on the schedules must be filled out or indicated as not applicable. Failure to submit the following described documents in accordance with the guidelines state may be cause for the rejection of the overall proposal/bid in its entirety.

2. MBE/WBE PROPOSERS – MBE/WBE REQUIREMENTS

- (i) Letter(s) of Certification – A copy of the MBE/WBE’s current Letter(s) of Certification from the City of Chicago, PACE, METRA, Cook County, the State of Illinois Central Management Services, the Chicago Transit Authority (CTA), the Minority Business Development Council, or the Small Business Administration (SBA).

NOTICE: The Chicago Housing Authority does not make any Representations concerning the ability of any MBE/WBEs to perform work within their area of specialty. It is the responsibility of all bidder/proposers to determine the capability and capacity of the MBE/WBEs to satisfactorily perform the work performed.

If the required documents are not provided, the MBE/WBE may be considered a NON-MBE/WBE and may be required to comply with the CHA's MBE/WBE Utilization Plan requirements for NON-MBE/WBES.

All Letter of Certification must include a statement of the MBE/WBE's area of specialization. The MBE/WBE's scope of work must conform to the area of specialization stated in the proposal/bid.

Any MBE/WBE with a principal place of business located outside of Chicago Standard Metropolitan Statistical Area (SMSA) and/or the State of Illinois may participate in contracts let by the CHA. For an out of state MBE/WBE to be considered as a bidder/proposer, a copy of a current Letter of Certification from a recognized local and/or out of state certifying agency must be submitted with the proposal bid.

For a non-certified MBE/WBE to be considered as a bidder/proposer, a time stamped receipt or a letter advising that the certification application is under review from at least one of the recognized certifying agencies must be submitted with the proposal.

- (ii) Statement of Bidders' Qualifications – See Appendix General Conditions – Section
- (iii) Equal Employment Opportunity Certification – See General Conditions – Section

3. NON-MBE/WBE BIDDERS/PROPOSERS: MBE/WBE PROPOSAL REQUIREMENTS

- (i) Schedule A: Affidavit of MBE/WBE utilization – NON-MBE/WBE bidders/proposers must submit, as part of the overall MBE/WBE Participation Proposal on or before the time set for that proposal, a Schedule A which commits them to the utilization of each listed MBE/WBE in the direct or indirect performance of contract work. Through Schedule B, the bidder/proposer shall also commit to the expenditure of a specific dollar amount of

participation by each listed MBE/WBE. The total dollar commitment to proposed MBE/WBEs must at least equal the required contract participation goal.

- (ii) Schedule B – Letter of Intent from the MBE/WBE Subcontractors and Suppliers – Schedule B, executed by each MBE/WBE (or MBE/WBE joint venture), included on Schedule A shall be attached and submitted as part of the overall proposal on or before the time set for that proposal. Each Schedule B must accurately detail the work to be performed by the MBE/WBE and the agreed upon prices to be paid.
- (iii) Letter(s) of Certification – A copy of each proposed MBE/WBE's current Letter(s) of Certification from the City of Chicago, PACE, METRA, the Chicago Transit Authority, Cook County, the State of Illinois Central Management Services, the Minority Business Development Council, or the Small Business Administration (SBA) must be attached to the Schedule B Letter of Intent.

All Letters of Certification must include a statement of the area of specialization. The MBE/WBE's scope of work, as detailed in Schedule A, must conform to their stated area of specialization. Where an MBE/WBE is proposed to perform work not covered by their area of specialization, they must request in writing an expansion of the area of specialization prior to their being proposed to perform such work. The MBE/WBE's request to expand the scope of the area of specialization, together with all documentation required by recognized certifying agencies, must be received at the time set for that proposal.

Any MBE/WBE with a principal place of business located outside Chicago SMSA and/or the State of Illinois may participate in Contracts let by the CHA. For an out of state MBE/WBE to be Considered as a bidder/proposer, a copy of a current Letter of Certification from a recognized local and/or out of state certifying Agency must be submitted with the proposal.

Any non-certified MBE/WBE proposed by the NON-MBE/WBE on Schedule A must have a time stamped receipt or a letter advising that the certification application is under review from at least one of the recognized certifying agencies.

- (iv) Statement of Bidder's Qualifications – See General Conditions – Section.
- (v) Equal Employment Opportunity Compliance Certification:

See General Conditions – Section.

- (vi) Waiver Requests – In cases where the bidder/proposer is requesting a waiver or variance of the MBE/WBE participation goals, the request must be submitted at the time of submission of the overall proposal. The waiver request must be completed in accordance with Section IV: Waiver of MBE/WBE Participation Goals.

B. EVALUATION OF MBE/WBE UTILIZATION PLAN: GUIDELINES

Within 24 hours after the determination of the proposed awardee(s) or highest ranking proposer, the Purchasing and Contracts Department will submit the proposed awardee's MBE/WBE Utilization Plan to the Contract Compliance Section for evaluation. The MBE/WBE Participation Proposal shall include a copy of the Specifications, the Bid Tabulation Summary, the RFP Recommendation Memorandum, the Statement of Bidder's Qualifications, the Equal Employment Opportunity Compliance Certificate, the MBE/WBE Schedules, the Letter(s) of Certification, Waiver Requests and related documents.

1. During the evaluation period, the bidder/proposer agrees to give upon request, earnest and prompt cooperation to the CHA in submitting to interviews that may be necessary allowing entry to places of business, providing additional documentation, or soliciting the cooperation of proposed MBE/WBEs in providing such assistance.
2. The CHA may deem the bid as non-responsive in its entirety by reason of the determination that:
 - (i) a bidder/proposer's MBE/WBE Participation Proposal contains an insufficient level of MBE/WBE participation;
 - (ii) a bidder/proposer is non-responsive or uncooperative to requests for further information relative to the MBE/WBE Participation Proposal; or
 - (iii) the MBE/WBE Participation Proposal contains false statements.

C. APPROVAL OF MBE/WBE PARTICIPATION PROPOSAL – GUIDELINES

1. The Contract Compliance Section will review and evaluate the MBE/WBE Participation Proposal as follows;
 - (i) Verify that the scope of work proposed by each MBE/WBE is within the area of specialization of such business.
 - (ii) Evaluate Schedules A and B for the proposed awardee(s) in

- Accordance with the MBE/WBE goal established for the contract.
- (iii) Calculate the total MBE/WBE dollar participation for the Proposed contract.
 - (iv) Review the waiver request, if included, and determine if the bidder/proposer is in compliance with the CHA's waiver requirements. This includes preparation of the recommendation memo for the Chief Operating Officer's approval.
 - (v) Submit MBE/WBE Participation Compliance Determination for proposed awardee to the Purchasing and Contracts Department at the earliest practicable time.
2. The CHA, at its sole discretion, may modify the MBE/WBE Participation Proposal approval time frames on a contract specific basis in order to have sufficient time to obtain, evaluate and make a determination on the best information available from the proposed awardee(s), while giving due consideration to having the award completed to meet the CHA's needs on a timely basis.
 3. Upon receipt of the MBE/WBE Participation Proposal Compliance Determination, the contract shall be routed for award and execution in accordance with the CHA's Purchasing and Contracts Policies and Procedures. After contract award and execution, copies of the executed contract shall be forwarded promptly to the Contract Compliance Section. This section shall also be promptly notified at such time as a Notice to Proceed is issued to an awarded.

ARTICLE IV: WAIVER OF MBE/WBE PARTICIPATION GOALS

- A. If a bidder/proposer is unable to meet the MBE/WBE participation commitment goals in its proposal for a CHA contract, a written request for waiver of MBE/WBE participation commitment goals must be submitted as part of its submissions in response to an IFB or RFP.
- B. The CHA's Chief Executive Officer has the authority to waive MBE/WBE participation goals on contracts with a recommendation from the Contract Compliance Section and Purchasing and Contracts Department. This may occur whenever the Chief Executive Officer determines that for the reasons of time, need, or standards not previously know, that such a Waiver would be in the CHA's best interest.

WAIVER OF MBE/WBE PARTICIPATION GOALS: PRE-AWARD

- A. Bidder/Proposers requesting a waiver of the CHA'S MBE/WBE participation commitment Goals must submit a request for waiver on the bidder/proposer's letterhead. The bidder/proposer must demonstrate that all required good faith efforts were taken to secure eligible MBE/WBEs for the performance of contract work. The following are examples of good faith efforts:
1. Attendance at a pre-bid meeting, if any, scheduled by the CHA to inform MBE/WBEs of subcontracting opportunities under a given solicitation or;
 2. Advertisements in general circulation media, trade association publications, and minority-focused media for at least 20 days before bids or proposals are due. If 20 days are not available, publication for a shorter reasonable time is acceptable; or
 3. Written notification to MBE/WBEs that their interest in the contract is solicited or;
 4. Efforts made to select portion of the work proposed to be performed by MBE/WBEs in order to increase the likelihood of achieving the stated goal or;
 5. Efforts to negotiate with MBE/WBEs for specific sub-bids including at a minimum:
 - The names, addresses, and telephone numbers of MBE/WBEs that were solicited or;
 - A description of the information provided to MBE/WBEs regarding the plans and specifications for portions of the work to be performed; or
 - A statement of why additional agreements with MBE/WBEs were not reached or;
 - Listing of at least three assist agencies (including the CHA) contacted to identify qualified MBE/WBEs or;
 - Explanation of unsuccessful solicitation attempts.
 6. Failure to submit documentation sufficient to support the waiver request will cause proposal to be found non-responsive by the CHA and the proposal will be rejected. In such cases, the CHA'S remedies may include but not limited to, negotiating with another bidder/proposer or re-advertising the IFB/RFP proposal.
 7. To expedite the contract, bidder/proposer must submit all necessary documents as part of its overall proposal on or before the time set for that proposal.
 8. The CHA's Contract Compliance Section will review all waiver requests to determine whether there is sufficient evidence that the bidder/proposer has exercised good faith efforts but was, despite such efforts, unable to meet the applicable goals. The designee, upon the Chief Executive Officer's review and compliance determination, will notify the bidder/proposer of the CHA's decision.

WAIVER OF MBE/WBE PARTICIPATION GOALS: POST AWARD

- A. After award of the contract, no relief of the MBE/WBE requirements will be granted by the CHA except in exceptional circumstances. Requests for complete or partial waiver of the contract's MBE/WBE participation goals must be made in writing, stating all details of the request, the circumstances, and all relevant information. The request must be accompanied by a record of all efforts taken by the bidder/proposer to locate MBE/WBEs, solicit MBE/WBEs, and to seek assistance from technical assistance agencies.
- B. In a case where a business under contract was previously considered to be an MBE/WBE but is later found to be, or whose work is found not to be creditable toward the MBE/WBE goal fully as planned, the CHA will consider the following special criteria in evaluating a waiver request:
 - (i) Whether the bidder/proposer was reasonable in believing the business was an MBE/WBE or that certification standards were not being violated;
 - (ii) The adequacy of unsuccessful efforts taken to obtain a substitute MBE/WBE outlined in Article V, MBE/WBE Substitutions.

WAIVER OF MBE/WBE PARTICIPATION GOALS: APPEALS

- A. The bidder/proposer shall have the right to appeal a denial of a waiver request. A notice to appeal a waiver request must be received by the Contract Compliance Section within five days of the bidder/proposer's receipt of the waiver denial. The letter of appeal must be accompanied by supporting documents evidencing the grounds for its request.
- B. A decision on an appeal by the CHA will be forwarded to the bidder/proposer within 10 days of receipt of the appeal.
- C. The final determination by the CHA may be appealed to the Board of Commissioners of The Chicago Housing Authority (CHA). Any party which believes that it has been wrongly denied a waiver may file an appeal in writing, signed and dated with the Secretary, United States Department of Housing and Urban Development, no later than two days after the date of the CHA's final determination.

ARTICLE V: CHALLENGES TO MBE/WBE'S ELIGIBILITY

- A. Any third party may challenge the MBE/WBE status of any individual presumed to be an MBE/WBE provided that the challenged party is an owner of an MBE/WBE company seeking recognition of certification from the CHA. An individual who has a current 8(a) Certification from the Small Business Administration (SBA) may not be challenged through this procedure.

- B. The challenge shall be in writing and shall include all information available to the Challenging party relevant to the determination of whether the challenged individual is, in fact, an MBE/WBE. The written challenge shall be filed with the CHA's Manager of the Contract Compliance Section and/or the Director of the Procurement and Contracts Department.
- C. The CHA shall determine, on the basis of the information provided, whether there is Reason to believe that the challenged party is, in fact, not an MBE/WBE. If the CHA determines that there is no reason to believe that the challenged party is not an MBE/WBE, the CHA shall so inform the challenging party in writing.

The decision is final and terminates the proceedings as provided. If the CHA determines that there is reason to believe that the challenged party is not an MBE/WBE, the CHA Shall begin a proceeding as follows:

- (i) The CHA shall notify the challenged party that its status as an MBE/WBE company has been challenged. The notice shall identify the challenging party and summarize the grounds for the challenge. The notice shall also require the challenged party to provide the CHA, within 10 business days, information sufficient to evaluate the party's MBE/WBE status. Failure to provide the requested information will result in sanctions up to and including debarment.
- (ii) The CHA shall evaluate the information available to it, conduct such investigation as deemed necessary and make a proposed determination of the MBE/WBE status of the challenged party. The CHA shall also provide an opportunity to the parties for an informal hearing at which time each party shall have the opportunity to respond to this proposed determination in writing and in person. The rules of evidence shall not apply and there shall be no presentation of witnesses or cross-examination.
- (iii) Following the informal hearing, the CHA shall make a final determination as to the challenged party's MBE/WBE status. The CHA shall inform the party, in writing, of the final determination, setting forth the reasons for its decision. In making its determination, the CHA shall be guided by the federal guidelines governing MBE/WBE status.

- D. During the pendency of the challenge under this Article, the presumption that the challenged party is an MBE/WBE shall remain in effect.
- E. Once the CHA has made a final decision on a challenged matter, that determination goes into effect immediately.
- F. The final determination by the CHA may be appealed by the adversely affected party to the Board of Commissioners of the Chicago Housing Authority. Any party which believes that it has been wrongly denied recognition of certification as an MBE/WBE or joint venture may file an appeal in writing, signed and dated with the Board of

Commissioners no later than two days after the date of the CHA's final determination. Third parties who have reason to believe that another party has been wrongly denied or granted recognition of certification may advise the Secretary of the United States Department of Housing and Urban Development.

ARTICLE VI: MBE/WBE UTILIZATION PLAN: REPORTING REQUIREMENTS DURING THE TERM OF THE CONTRACT

- A. Post-Award monitoring shall be conducted by the Contract Compliance Section and includes the following:
1. Reviewing MBE/WBE participation compliance;
 2. Conducting on-site visits to monitor compliance of contractors with Chicago Housing Authority's MBE/WBE Participation Proposal;
 3. Tracking and monitoring payments to MBE/WBEs;
 4. Conducting MBE/WBE: "Front" investigations; and
 5. Reviewing and acting upon waivers, substitutions and modifications proposed by contractors after the contract has been awarded and executed.
- B. The bidder/proposer shall, within five business days of receiving the awarded contract or prior to any work being performed, execute formal contracts or purchase orders with the MBE/WBEs included in their various MBE/WBE related schedules. These written agreements shall be forwarded to the Contract Compliance Section 60 East Van Buren, 13th Floor, Chicago, IL 60605.
- C. Specialty areas: In cases where the bidders/proposers have not identified their MBE/WBE prior to award, they will be required to submit the completed affidavit within 30 days and prior to Notice-To-Proceed. Specialty areas are to be determined by the Procurement and Contracts Department and Chief Executive Officer.
- D. Schedule R: Status Reports of MBE/WBE Subcontract Payments
1. During the terms of contracts, the bidder/proposer shall submit regular "Status Reports of MBE/WBE Subcontract Payments" (see Appendix V, Schedule R). The reports are to be submitted with each request for payment from the CHA during the term of the contract. Failure to submit the Schedule R may result in payment delay and/or denial. The Schedule R must be submitted to the Manager of the Contract Compliance Section, 60 East Van Buren, 13th Floor, Chicago, IL 60605.
 2. In the case of one time procurement with either single or multiple deliveries, a Schedule R, indicating final MBE/WBE payments shall be submitted directly to the Manager of the Contract Compliance Section so as to assure receipt of, either at the same time or before the user department receives the contractor's final invoice.

NOTICE: Do not submit original invoices with the Schedule R.

ARTICLE VII. MBE/WBE SUBSTITUTIONS

- A. Arbitrary changes by the bidder/proposer of its commitment goals earlier certified in the Schedule A are prohibited. Further, once entering into each approved MBE/WBE sub-agreement, the bidder/proposer shall, thereafter, neither terminate the sub-agreement, nor reduce the scope of the work to be performed by the MBE/WBE, nor decrease the price to the MBE/WBE without, in each instance, receiving prior written approval of the Chicago Housing Authority.
- B. In some cases however, it may become necessary to substitute a new MBE/WBE requirements. In such cases, the Chicago Housing Authority must be given reasons justifying the release by the CHA of prior specific MBE/WBE commitments established in the bidder/proposer's proposal. The substitution procedures will be as follows:
1. The bidder/proposer must notify the Contract Compliance Section immediately in writing of an apparent necessity to reduce or terminate an MBE/WBE subcontract and to propose a substitute company for some phase of work, in order to sustain the fulfillment of the MBE/WBE participation goals.
 2. The bidder/proposer's notification to the CHA should include the specific reasons for the proposed substitution. Stated reasons that would be acceptable include any of the following examples:
 - A previously committed MBE/WBE was found not to be able to perform, or not to be able to perform on time;
 - A committed MBE/WBE was found not to be able to produce acceptable work;
 - A committed MBE/WBE was later determined not to be bona fide;
 - An MBE/WBE previously committed to a given price later demands an unreasonable escalation of price.
 3. The bidder/proposer's position in these cases must be fully explained and supported with adequate documentation. Stated reasons which will not be acceptable include:
 - A replacement company has been recruited to perform the same work under terms more advantageous to the bidder/proposer;
 - Issues about performance by the committed MBE/WBE are disputed (unless every reasonable effort has already been taken to have the issues resolved or mediated satisfactorily);
 - An MBE/WBE has requested reasonable price escalation, which may be justified due to unforeseen circumstances (i.e., change in scope of MBE/WBE's work).
 4. The bidder/proposer's notification should include the name, address, and principal official of any proposed substitute MBE/WBE, the dollar value and scope of work

of the newly proposed subcontract. The same MBE/WBE Schedules, which are required of bidder/proposers, as enumerated above in Article III, Submission, Evaluation and Approval of MBE/WBE Participation Proposal, shall be attached.

5. The CHA will evaluate the submitted documentation and respond within 15 working days after the request for a compliance determination for the proposed MBE/WBE substitution. The response may be in the form of requesting more information, or requesting an interview to clarify, or to mediate the problem. The response may also be in the form of a rejection of the proposed MBE/WBE substitution with the reasons therefore included in the CHA's response. In the case of an expressed emergency need to receive the necessary decision for the sake of job progress, the CHA will instead respond as soon as practicable.
6. Actual substitution of an MBE/WBE to fulfill commitment goals should not be made prior to the CHA's approval, in writing. Once notified of the CHA's approval, the substitute MBE/WBE subcontract must be executed within five working days and a copy of the MBE/WBE subcontract with signatures of both parties to the agreement should be submitted to the CHA.
7. The CHA will not approve extra payment for escalated costs incurred by the Bidder/proposer when a substitution of subcontractors becomes necessary in order to comply with MBE/WBE contract requirements.
8. Appeals of the CHA's decision to reject a substitution request must be submitted to the Director of Procurement and Contracts Department within seven days after the rejection notification is received. Appeals will be conducted before the CHA's Hearing Officer in accordance with the CHA's Procurement and Contracts Policies and Procedures.

ARTICLE VIII: NON-COMPLIANCE SANCTIONS AND LIQUIDATED DAMAGES

- A. The CHA shall have the discretion to apply suitable sanctions to the bidder/proposer if the bidder/proposer is found to be in non-compliance with the MBE/WBE requirements. Failure to comply with the MBE/WBE terms of commitment goals as applicable to and in the contract or failure to use MBE/WBEs as stated in the bidder/proposer's submitted schedules, constitutes a material breach of the contract and may lead to the suspension and/or termination of this contract in whole or in part; furthermore, continued eligibility to enter into future contracting arrangements with the CHA may be jeopardized as a result of non-compliance. In some cases, payments may be withheld until corrective action is taken.
- B. When work is completed, in the event that the CHA has determined that the bidder/proposer was not compliant in the fulfillment of the required MBE/WBE commitment goal and a waiver was not obtained, the CHA will thereby be damaged in the failure to provide the benefit of participation to the MBE/WBE to the degree set forth in this MBE/WBE Utilization Plan.

C. Therefore, in the event of such non-compliance, the bidder/proposer and contractor agrees that the CHA will deduct as liquidated damages cumulative amounts computed as follows:

- For each one percent (or fraction thereof) of shortfall toward the MBE/WBE goal, one percent of the base bid for this contract shall be surrendered by the bidder/proposer to the CHA in payment as liquidated damages, if such damages are assessed or may be deducted from pay requests.

EXHIBIT 3-7

SECTION 3 POLICY

CHICAGO HOUSING AUTHORITY SECTION 3 POLICY

INTRODUCTION

This Policy Statement:

- Sets forth CHA's policy, goals and preferences;
- Sets forth the statutory provisions of Section 3; and
- Contains a copy of 24 CFR Part 135, the Section 3 Rules.

STATEMENT OF PURPOSE

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to "ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons." The 1992 Act sets forth:

- The types of HUD financial assistance, activities, and recipients subject to the requirements of Section 3;
- The specific individuals and business concerns who are the intended beneficiaries of the economic opportunities generated from HUD-assisted activities; and
- The order of priority in which these individuals and business concerns should be recruited and solicited for the employment and other economic opportunities generated from HUD-assisted activities.

The CHA's Section 3 policy is expressed in this statement, the goal statement, and the preference tiers. Implementation procedures may be amended periodically by the Chief Executive Officer or their designee to insure that the policy requirements are being met or to bring about efficiencies in the implementation of the program based on the practice and experience of running the program.

DEFINITIONS

NEW HIRES Full-time employees for permanent, temporary, or seasonal employment opportunities.

RESIDENT OWNED BUSINESS (ROB) A ROB is a business concern owned or controlled by public housing residents, that is: (a) at least 51% owned by one or more public housing residents; and (b) whose management and daily business operations are controlled by one or more such individuals. For purposes of Section 3 compliance, a ROB must also meet the CHA definitions of a Section 3 business concern as described below.

EMPLOYMENT OPPORTUNITIES GENERATED BY SECTION 3 COVERED ASSISTANCE All employment opportunities generated by the expenditure of Section 3 covered PIH assistance (i.e. operating assistance, development assistance, and modernization assistance) and with respect to Section 3 covered housing and community development assistance, all employment opportunities arising in connection with Section 3 covered projects, including management and administrative jobs (including architectural, engineering, or related professional services and jobs directly related to administrative support of these activities) connected with the Section 3 covered project.

RECIPIENT Any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian Tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee, or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

SECTION 3 Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C.1701u).

SECTION 3 BUSINESS CONCERN --As defined by the CHA, a Section 3 business concern is one:

- A. That is Fifty-one (51%) percent or more owned by Section 3 residents; or
- B. Whose permanent, full-time employees includes persons, at least 30 percent of whom are current Section 3 residents, or were Section 3 residents within three (3) years of the date of first employment with the business concern; or
- C. That provides evidence of a commitment to: (1) subcontract 20 percent or more of the total amount of the contract (including any modifications); and (2) in turn subcontracts in excess of 25 percent of the amount from (1) to Section 3 business concerns as defined in A or B (25% of 20%). Example: If the Contract Amount is = \$1,000,000, vendor must subcontract at least 20% or \$200,000. Of the \$200,000, 25% or \$50,000 must go to Section 3 business concern(s) as defined in A or B.

SECTION 3 CLAUSE The contract provisions and sanction set forth in 24 CFR 135.38

SECTION 3 COVERED ACTIVITY Any activity that is funded by Section 3 covered assistance including Public housing assistance.

SECTION 3 COVERED ASSISTANCE There are no dollar amount thresholds for PIH (Public and Indian Housing) funded Section 3 covered activities. Section 3 applies to all contractors and subcontractors performing work in connection with the following assistance regardless of the amount of the contract or subcontract:

- Public and Indian housing development assistance provided pursuant to Section 5 of the 1937 Act;
- Public and Indian housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- Public and Indian housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- Section 8 assistance for work arising in connection with: housing rehabilitation, housing construction, or other public construction projects.

SECTION 3 COVERED CONTRACT A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance or for work arising in connection with a Section 3 covered project. "Section 3 covered contracts" do not include contracts for the purchase of supplies and materials except, whenever a contract for materials includes the installation of the materials, the contract constitutes a "Section 3 covered contract".

SECTION 3 COVERED PROJECT The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

SECTION 3 JOINT VENTURE An association of business concerns, one of which qualifies as a Section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 business concern:

- Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- Performs at least 25% of the work and is contractually entitled to compensation proportional to its work.

SECTION 3 RESIDENT

1.) A public housing resident, or 2.) An individual who resides in Cook County and who meets the following criteria:

- Low-income persons – families (or single persons) whose incomes do not exceed 80 per centum of the median income for the area.
- Very low-income persons – families (or single persons) whose incomes do not exceed 50 per centum of the median income for the area.

GOAL STATEMENT

It is the CHA's policy to achieve Section 3 goals through the following means:

HIRING

- At least 30% of the aggregate number of full-time new hires must be Section 3 residents, with a preference for residents at the development where the work is being performed.

CONTRACTS

Contractors may demonstrate Section 3 compliance by providing a notarized statement committing to award to Section 3 business concerns:

- At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization, or development of Public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction.
- At least 3% of the total dollar amount of all other Section 3 covered contracts.
- CHA's preference is to contract directly with a Section 3 business or contract with vendors that subcontract to a Section 3 business. In either case, CHA's preference is further defined as prioritizing business concerns that employ CHA residents from the property where the work is being performed.

Note that Supply and Delivery contracts are excepted from these Section 3 Policy requirements.

OTHER ECONOMIC OPPORTUNITIES

Providing other economic opportunities to train and employ Section 3 residents or contributing to a Section 3 compliance fund which provides other economic opportunities. Firms may provide other economic opportunities or make a direct cash contribution. CHA has established the following minimum threshold requirements for contribution to any fund that provides other economic opportunities:

- a) For trade, construction and rehabilitation work the "value" of the other economic opportunity must equal or exceed 5% of the total contract amount plus any modifications;
- b) For other types of contracts, including service contracts, the "value" of the other economic opportunity must equal or exceed 1.5% of the total contract amount plus any modifications.

CHA PREFERENCE TIERS

CHA's preference is to ensure that as many CHA residents as possible are employed. In an effort to further that goal, CHA has created the following preference tier structure. Vendors are asked to comply with Section 3 by first considering Tier IA, hiring at the site where work is being performed. If the vendor demonstrates to CHA's satisfaction the inability to hire at the site, CHA's next preference is for the vendor to hire residents from

other CHA properties. If the vendor cannot meet its Section 3 goal in this manner and needs to move to Tier IC, Tier ID or Tier II or III, that vendor must document this inability to comply with the preference and the need to move to Tier IC, Tier ID or another tier. [Such inability must be documented for moves within tiers or any moves to a lower tier.]

TIER I

A Hire Section 3 CHA residents from site

B Hire Section 3 CHA residents from another CHA subsidized property

C Hire non-CHA Section 3 residents from the Youthbuild program

D Hire non-CHA Section 3 residents citywide

TIER II

A 1. Contract directly with a Resident Owned Business whose full-time, permanent workforce includes persons, at least 30% of whom are CHA residents from the site where the work is being performed

1. 2. Contract directly with a Section 3 business that is fifty-one percent or more owned by Section 3 residents and whose full-time, permanent workforce includes persons, at least 30% of whom are CHA residents from the site where the work is being performed

1. 3. Contract directly with any other Section 3 business whose full-time, permanent workforce includes persons, at least 30% of whom are CHA residents from the site where the work is being performed

B 1. Contract directly with a Resident Owned Business whose full-time, permanent workforce includes persons, at least 30% of whom are CHA residents from other CHA properties

1. 2. Contract directly with a Section 3 business concern that is fifty-one percent or more owned by Section 3 residents and whose full-time, permanent work force includes persons, at least 30% of whom are CHA residents from other CHA properties

1. 3. Contract directly with a Section 3 business concern whose full-time, permanent workforce includes persons, at least 30% of whom are CHA residents from other CHA properties

C 1. Contract directly with a Resident Owned Business whose full-time, permanent workforce includes persons, at least 30% of whom are Section 3 residents

1. 2. Contract directly with a Section 3 business concern owned by Section 3 Residents whose full-time, permanent workforce includes persons, at least 30% of whom are Section 3 residents

1. 3. Contract directly with other Section 3 business concerns whose full-time, permanent workforce includes persons, at least of 30% of whom are Section 3 residents

D 1. Contract directly with a Resident Owned Business regardless of the number of Section 3 residents employed

1.2. Contract directly with a Section 3 business concern which is majority owned by Section 3 residents

E 1. Subcontract with Section 3 business concern that involves the Youthbuild program

F 1. Use a Section 3 business concern that meets Section 3 requirements by subcontracting in excess of 20% of the total dollar value of the contract and 25% of those subcontracts to Section 3 business concerns (25% of 20%)

G 1. Form a Section 3 Joint Venture

TIER III

Providing other economic opportunities to train and employ Section 3 residents or contributing to a fund which provides other economic opportunities. The CHA has established the following minimum threshold requirements for contribution to the fund that provides other economic opportunities:

a.) For trade, construction and rehabilitation work the "value" of the other economic opportunity must equal or exceed 5% of the total contract amount plus any modifications;

b.) For other types of contracts, including service contracts, the "value" of the other economic opportunity must equal or exceed 1.5% of the total contract amount plus any modifications.

[NOTE: For contracts or purchase orders \$100,000 and under, other economic opportunities can be identified without regard for the CHA preference requirements.]

SECTION 3 COMPLIANCE REQUIREMENTS

I. HIRING

A. Background

1. The Section 3 regulations provide that recipients, their contractors, and any subcontractors demonstrate compliance by employing Section 3 residents as 30% of the aggregate number of new hires.
2. A vendor is required to hire only when a new hire is needed to perform the work. In the event that no new hires are needed, vendors must pursue other avenues of compliance as set forth in CHA's preference tier structure.
3. The Section 3 Regulations, at 24 CFR Part 135, require that in public housing programs, compliance efforts shall be directed to provide training and employment opportunities to Section 3 residents in the following order of priority:
 - a. Residents of the development or developments where the covered assistance is expended.
 - b. Residents of other developments managed by the Public Housing Authority that is expending the covered assistance.
 - c. Participants in HUD Youthbuild programs in the metropolitan area or nonmetropolitan county in which covered assistance is expended.
 - d. All other low- and very low-income persons within the metropolitan area.
4. In situations where a new hire is needed, a vendor will not be required to hire persons who are not qualified.
5. If a new hire is needed and a Section 3 resident is identified, that Section 3 resident will be required to submit evidence of Section 3 status to the recipient, contractor or subcontractor.
6. The CHA requires a preference for hiring from the development where work is being performed. However, the CHA will not require a vendor to hire from the development at the work site if:
 - a. A pre-identified list of Section 3 residents from a job site contains no persons qualified to perform the work. Qualified residents from other developments shall then be considered.
 - b. The vendor's workforce is adequate to do the job and no new hiring is needed.

B. Compliance

1. As part of each bid or proposal submitted, the respondent must document their workforce by position. Such information will be reverified at the commencement of the contract.

2. Vendors will be required to submit documentation in the form of payroll forms submitted weekly that clearly identify the Section 3 hires. The vendor must comply with the Section 3 requirement throughout the life of the contract. CHA will periodically audit this information. Failure to comply with the weekly submittal of payroll shall result in the delay of payment.

3. CHA residents by virtue of their income are Section 3 residents. Contractors employing CHA residents must retain documentation that demonstrates any CHA residents hired to meet Section 3 employment goals are:

a) (a) identified on the lease of household, that is lease compliant in accordance with CHA's Relocation Rights contract; and

b) (b) able to provide to the contractor or subcontractor the client number for the household where CHA residency is claimed. This client number must appear on the certified payrolls submitted by the vendor to verify a Section 3 hire.

4. In the event a Section 3 resident is employed for less than the duration of the job commitment (as indicated on the approved utilization plan), vendors must contribute to a fund which provides other economic opportunities in the lesser of the following amounts:

a) the amount of money which the Section 3 resident would have received if employed for the duration of the contract, or

b) 5% of the actual contract amount if a construction contract; 1.5% for other contracts.

5. Non-CHA households claiming Section 3 status must be prepared to submit evidence of income and residency in Cook County at the time of hire. As part of the Section 3 compliance process, vendors will be required to document that employees hired meet the residency and income requirements.

II. CONTRACTING

A. Background

1. The Section 3 Regulations, at 24 CFR Part 135, provide that the CHA, its contractors and subcontractors may demonstrate compliance by awarding contracts to Section 3 business concerns or to vendors who contract with such firms.

2. CHA's contracting goals require that Section 3 firms receive at least:

a.) 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing; or

b.) 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

c.) 3 percent of the total dollar amount of all other Section 3 covered contracts.

3. Goals apply to the entire amount of Section 3 covered assistance awarded to a recipient in any federal fiscal year (FY), October 1September 30. Correspondingly, CHA's goals shall apply to the total dollar amount of each contract or purchase order.

4. Recipients that award contracts to contractors that will provide training or hiring, must ensure that contractors provide training, employment and contracting opportunities to Section 3 Residents and Section 3 Business concerns.

5. Efforts shall be directed to award contracts to Section 3 business concerns in the following order of priority:

a.) Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the covered assistance is expended and whose full-time, permanent workforce includes 30 percent of these persons as employees or were Section 3 residents of the development within three (3) years of the date of first employment with the business concern; or

b.) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the CHA that are expending the Section 3 covered assistance and that the Business concerns' fulltime, permanent workforce includes 30 percent of these persons as employees (or were Section 3 residents of other CHA developments within three (3) years of the date of first employment with the business concern); or

c.) Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the covered assistance is expended

d.) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the CHA that is expending the Section 3 covered assistance

e.) HUD Youthbuild programs being carried out in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended; or

f.) Business concerns that are 51 percent or more owned by Section 3 residents; and

i. whose full-time, permanent workforce includes 30 percent of these persons as employees; or

ii. that subcontracts 20% or more of the total amount of the contract (including modifications) and in turn subcontracts 25% of the subcontracted amount to Section 3 business concerns (25% of 20%).

g.) Business concerns that are 51 percent or more owned by Section 3 residents.

B. Compliance

1. Business Concerns claiming Section 3 status based on ownership and workforce or workforce only (as applicable) must meet that status at the time the bid or proposal is submitted to CHA.

2. Anyone claiming to be a Section 3 resident or business concern shall be required, as set forth by procedure, to provide evidence of such status.

3. Pursuant to 24 CFR 135.36 (c) any firm, prime or subcontractor claiming Section 3 status must demonstrate to CHA's satisfaction that the business concern is responsible and has the ability to complete the work under the terms and conditions of the proposed contract. In evaluating firms under this provision CHA will examine:

- a. the work history and prior performance of the firm;
- b. the requirements of the job verses the skills evidenced by the firm through its owners, officers, principals, and key staff;
- c. technical and logistical capacity to complete the work considering contracts already awarded to the firm by CHA or others;
- d. bonding capacity and ability to obtain required insurance (with allowances for disadvantaged or start-up firms);
- e. evidence of past sanctions imposed by the CHA or others; and
- f. evidence that the firm, its principals, associates, partners, subcontractors or others have acted or colluded in order to circumvent the compliance process by structuring contractual or other relationships or engaging in practices designed to comply with Section 3 only to obtain the preference without regard to the work or requirements of the job.

4. A business concern need not hire to be considered a Section 3 business provided that:

- a. the business concern is 51% or more owned by a Section 3 resident; or
- b. the business concern's workforce consists of sufficient numbers of Section 3 residents to qualify the vendor as a Section 3 business (30% or more of the full

time, permanent workforce consists of Section 3 residents, or persons who were Section 3 residents within 3 years of first employment); or

c. subcontracts 20% or more of the total amount of the contract (including modifications) and in turn subcontracts 25% of the subcontracted amount to Section 3 business concerns (25% of 20%); or

5. After award of a contract, if a business concern must hire to maintain the Section 3 workforce percentage, new hiring efforts must be made in accordance with the CHA preference tier for hiring (Tier I).
6. If a business concern claims Section 3 status by virtue of workforce composition, documentation of the 30% workforce requirement must be submitted to the CHA as part of the response to the bid, quote, or proposal. Further, the firm must maintain the Section 3 workforce percentage throughout the life of the contract. Workforce composition is subject to audit.
7. A business concern (including joint-ventures) seeking to qualify for a Section 3 preference shall certify and submit evidence that they are entitled to the applicable Section 3 preference and that they are a Section 3 business concern as defined in 24 CFR, Part 135 and by the CHA pursuant to this policy. Prime or subcontractors must submit documentation (including work force composition data) as part of any bid, quote, or proposal submitted to the CHA. Additional documentation is required for joint-ventures.
8. Firms that claim Section 3 business status by subcontracting (25% of 20% of the total contract) to other Section 3 businesses must require that the subcontractor(s) provide ownership or workforce documentation as applicable. The prime contractors must keep such records on file and available for review by the CHA. Such documentation must also be submitted as part of any bid, quote or proposal.
9. Subcontractors identified by any prime contractor claiming Section 3 status per item 6 must be a Section 3 business by ownership and/or workforce as defined in this policy. Subcontractors used by prime contractors to comply with item 6 cannot claim Section 3 status by further subcontracting.
10. Section 3 Joint Ventures -- To meet Section 3 contracting goals the CHA is permitted to contract with an association of firms at least one of which meets the CHA's definition A or B of a Section 3 Business Concern. A definition of a joint-venture is provided in the definition section of this policy. Compliance requirements for joint-ventures are discussed below.
11. Joint-ventures are subject to the following documentation requirements:
 - a. The joint-venture agreement must be in writing and must be submitted as part of the response to any bid or proposal solicited by the CHA. In order for CHA to

evaluate the "adequacy" and "capacity", the agreement must describe in sufficient detail the area(s) of work assigned to each member of the joint-venture.

b. The joint-venture agreement must reference a completed and fully executed joint venture certification, as provided by the CHA, which must also be attached to the joint venture agreement as an exhibit.

c. CHA requires that the Section 3 joint-venture partner is a bona-fide Section 3 business, therefore the joint-venture shall provide documentation that shows that the Section 3 partner meets the ownership and workforce, or workforce requirements established in this policy. Section 3 joint-venture partners cannot use subcontracting to establish their status as a Section 3 business concern.

d. Section 3 requires that the joint-venture partner be responsible for a clearly defined portion of the work. Proposals or bids must specify the labor hours assigned to and the compensation to be received by the Section 3 joint-venture firm.

e. Section 3 firms in the joint-venture must be qualified to perform the scope of work and have the capacity to complete the work assigned under the joint-venture agreement (see item b above).

III. OTHER ECONOMIC OPPORTUNITIES

A. Contract Values

1. For contracts or purchase orders valued at \$100,000 or more, other economic opportunities may only be used where a vendor cannot comply with the hiring or subcontracting goals set forth in the Preference Tier structure.

2. For contracts valued under \$100,000, other economic opportunities may be used at any time.

B. Economic Opportunities:

1. Scholarships for CHA residents -- the vendor may contribute to the CHA Scholarship fund. The funds will be provided to schools, institutes, etc. via a third party to provide scholarships exclusively for CHA residents.

2. Daycare/Transportation to support CHA residents who are working or are in training or education programs -- the vendor may contribute to the daycare/transportation fund. The funds will be used to pay day care providers or provide CTA, PACE or METRA cards or stipends exclusively for CHA residents. The daycare/transportation fund will be administered by a third party service provider under a cooperative agreement with the CHA.

3. Part-Time Employment/Job Training Programs-- vendors may provide part-time work or paid training opportunities for CHA residents (especially on the job training). The hours of part-time work or training when converted to dollars must equal or exceed the threshold requirements established in D. below.

C. Contract Values

CHA will permit the use of other economic opportunities, without regard to the CHA Preference Tiers, for contracts or purchase orders under \$100,000. For such contracts, firms may still comply by hiring or subcontracting but are not required to propose these options or provide the reasons why they cannot hire or contract to meet the Section 3 requirements.

D. Threshold requirements for other economic opportunities:

CHA has established the following minimum threshold requirements for use of other economic opportunities:

1. For trade, construction and rehabilitation work the "value" of the other economic opportunity must equal or exceed 5% of the total contract amount plus any modifications;
2. For other types of contracts, including service contracts, the "value" of the other economic opportunity must equal or exceed 1.5% of the total contract amount plus any modifications

IV. BID OR PROPOSAL EVALUATION

A. Vendors who fail to address Section 3 requirements will be deemed nonresponsive. This means that in the proposal or bid documents submitted to the CHA, the Contractor's Affidavit and Compliance Commitment must be completed including applicable attachments and supporting documentation to support claims of compliance by hiring, contracting, or other economic opportunities.

B. After written notice from the CHA specifying the defects in the Section 3 information, vendors will be given no more than 5 business days to complete the form and provide all required documents. Failure to respond within the 5 days will result in CHA declaring the bidder or respondent non-responsive. The contract or bid will then be awarded to the next lowest bidder or to the respondent with the next highest score. Where the selection is a qualifications based procurement, CHA will award to the firm that is the next highest ranked.

Exhibit K

Legal Description

(See attached)

LEGAL DESCRIPTION

PARCEL 1:

LEASEHOLD ESTATE CREATED BY GROUND LEASE DATED AS OF JUNE 30, 2010 BETWEEN THE CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, LANDLORD, AND CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, TENANT, RECORDED _____, 2010 AS DOCUMENT NUMBER _____, AND ASSIGNED TO PARKSIDE NINE PHASE II, LP, AN ILLINOIS LIMITED PARTNERSHIP AND AMENDED BY ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE BY AND AMONG CABRINI GREEN LAC COMMUNITY DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, PARKSIDE NINE PHASE II, LP, AN ILLINOIS LIMITED PARTNERSHIP AND THE CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, DATED AS OF JUNE 30, 2010 AND RECORDED _____, 2010 AS DOCUMENT NUMBER _____, DEMISING AND LEASING FOR A TERM OF 99 YEARS EXPIRING ON _____, 2109, THE FOLLOWING DESCRIBED PREMISES, TO WIT:

PARTS OF LOTS 1 TO 6, INCLUSIVE, PART OF LOT 18, ALL OF LOTS 19 TO 21, INCLUSIVE, PARTS OF LOTS 22 TO 26, INCLUSIVE, TOGETHER WITH PART OF THE VACATED 16 FOOT ALLEY PER DOCUMENT NO. 16414445 IN BLOCK 16 IN ROGERS' SUBDIVISION OF THAT PART LYING WEST OF THE EAST LINE OF SEDGWICK STREET OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF SAID BLOCK 16 AFORESAID, 57.20 FEET NORTH, AS MEASURED ALONG SAID WEST LINE, FROM THE SOUTHWEST CORNER OF SAID BLOCK 16; THENCE NORTH 0 DEGREES 32 MINUTES 13 SECONDS WEST, ALONG THE WEST LINE OF SAID BLOCK 16 AND THE WEST LINE OF SAID LOTS 18 TO 26, A DISTANCE OF 156.27 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 105.28 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 100.21 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 7.60 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 28.96 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 33.20 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 6.00 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 31.70 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 27.46 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, 11.61 FEET; THENCE

NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 67.46 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 27.42 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 30.36 FEET TO A LINE DRAWN 4.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID BLOCK 16; THENCE SOUTH 0 DEGREES 31 MINUTES 23 SECONDS EAST, ALONG SAID PARALLEL LINE, 133.06 FEET TO THE SOUTH LINE OF SAID BLOCK 16; THENCE SOUTH 89 DEGREES 52 MINUTES 27 SECONDS WEST, ALONG SAID SOUTH LINE, 155.60 FEET TO A POINT 56.53 FEET EAST, AS MEASURED ALONG SAID SOUTH LINE, FROM THE SOUTHWEST CORNER OF BLOCK 16 AFORESAID; THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, 80.71 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

Common Address: 544 W. Oak Street, Chicago, IL
PIN: 17-04-318-031

Exhibit L

Unit Schedule

(See attached)

**PARKSIDE IIA RENTAL
UNIT SCHEDULE**

ADDRESS	UNIT NUMBER	S.F.	BEDROOM	BATHROOM	MARKET CATEGORY	ACCESSIBILITY
1010 N. Cambridge Street	101	1,478	3	2	CHA	VISITABLE
1010 N. Cambridge Street	102	1,488	3	1.5	CHA	TYPE A
1010 N. Cambridge Street	103	2,272	5	2	CHA	TYPE A
1010 N. Cambridge Street	104	1,530	3	1.5	CHA	#504
1010 N. Cambridge Street	105	1,490	3	1.5	AFFORDABLE	#504
1010 N. Cambridge Street	106	1,530	3	1.5	CHA	TYPE A
544 W. Oak Street	301	1,190	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	302	1,068	2	1	CHA	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	303	1,236	2	1	AFFORDABLE	TYPE A
544 W. Oak Street	304	861	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	305	947	1	1	MARKET	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	306	1,236	2	1	AFFORDABLE	#504
544 W. Oak Street	307	1,068	2	1	CHA	TYPE B
544 W. Oak Street	308	1,190	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	309	1,083	2	1	CHA	TYPE A / AUDIO VISUAL CONDUIT
544 W. Oak Street	310	714	1	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	311	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	312	1,005	2	1	CHA	TYPE B
544 W. Oak Street	313	1,123	2	1	CHA	TYPE B
544 W. Oak Street	314	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	315	714	1	1	AFFORDABLE	TYPE A
544 W. Oak Street	316	1,083	2	1	MARKET	TYPE B
544 W. Oak Street	401	1,225	2	1	CHA	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	402	1,083	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	403	1,236	2	1	CHA	#504
544 W. Oak Street	404	861	1	1	MARKET	TYPE B
544 W. Oak Street	405	947	1	1	AFFORDABLE	TYPE A / AUDIO VISUAL CONDUIT
544 W. Oak Street	406	947	1	1	CHA	#504
544 W. Oak Street	407	861	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	408	1,236	2	1	CHA	TYPE A
544 W. Oak Street	409	1,083	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	410	1,225	2	1	CHA	TYPE B
544 W. Oak Street	411	1,083	2	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	412	714	1	1	MARKET	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	413	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	414	1,005	2	1	CHA	TYPE A
544 W. Oak Street	415	1,123	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	416	714	1	1	AFFORDABLE	TYPE B / AUDIO VISUAL ALARM
544 W. Oak Street	417	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	418	1,083	2	1	MARKET	TYPE B

**PARKSIDE IIA RENTAL
UNIT SCHEDULE**

ADDRESS	UNIT NUMBER	S.F.	BEDROOM	BATHROOM	MARKET CATEGORY	ACCESSIBILITY
544 W. Oak Street	501	1,225	2	1	CHA	TYPE B
544 W. Oak Street	502	1,083	2	1	CHA	TYPE B / AUDIO VISUAL ALARM
544 W. Oak Street	503	1,236	2	1	AFFORDABLE	#504
544 W. Oak Street	504	861	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	505	947	1	1	MARKET	TYPE B
544 W. Oak Street	506	947	1	1	AFFORDABLE	TYPE A
544 W. Oak Street	507	861	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	508	1,236	2	1	CHA	#504
544 W. Oak Street	509	1,083	2	1	CHA	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	510	1,225	2	1	MARKET	TYPE B
544 W. Oak Street	511	1,083	2	1	CHA	TYPE B
544 W. Oak Street	512	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	513	714	1	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	514	1,005	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	515	1,123	2	1	CHA	TYPE B
544 W. Oak Street	516	714	1	1	MARKET	TYPE B
544 W. Oak Street	517	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	518	1,083	2	1	MARKET	TYPE A
544 W. Oak Street	601	1,225	2	1	CHA	TYPE B
544 W. Oak Street	602	1,083	2	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	603	1,236	2	1	CHA	TYPE B
544 W. Oak Street	604	861	1	1	MARKET	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	605	947	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	606	947	1	1	AFFORDABLE	# 504
544 W. Oak Street	607	861	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	608	1,236	2	1	CHA	TYPE B
544 W. Oak Street	609	1,083	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	610	1,225	2	1	CHA	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	611	1,083	2	1	AFFORDABLE	TYPE A / AUDIO VISUAL CONDUIT
544 W. Oak Street	612	714	1	1	MARKET	TYPE A / AUDIO VISUAL CONDUIT
544 W. Oak Street	613	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	614	1,005	2	1	CHA	TYPE B
544 W. Oak Street	615	1,123	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	616	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	617	714	1	1	CHA	TYPE B
544 W. Oak Street	618	1,083	2	1	MARKET	TYPE B
544 W. Oak Street	701	1,198	2	1	AFFORDABLE	TYPE B / AUDIO VISUAL ALARM
544 W. Oak Street	702	1,000	2	1	CHA	TYPE B
544 W. Oak Street	703	1,040	2	1	AFFORDABLE	TYPE A
544 W. Oak Street	704	861	1	1	AFFORDABLE	TYPE B

**PARKSIDE IIA RENTAL
UNIT SCHEDULE**

ADDRESS	UNIT NUMBER	S.F.	BEDROOM	BATHROOM	MARKET CATEGORY	ACCESSIBILITY
544 W. Oak Street	705	928	1	1	MARKET	TYPE B
544 W. Oak Street	706	928	1	1	CHA	#504
544 W. Oak Street	707	861	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	708	1,040	2	1	MARKET	TYPE A
544 W. Oak Street	709	1,000	2	1	CHA	TYPE B
544 W. Oak Street	710	1,198	2	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	711	1,083	2	1	MARKET	TYPE B
544 W. Oak Street	712	714	1	1	AFFORDABLE	TYPE A
544 W. Oak Street	713	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	714	1,005	2	1	CHA	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	715	1,123	2	1	CHA	TYPE B
544 W. Oak Street	716	714	1	1	MARKET	TYPE B
544 W. Oak Street	717	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	718	1,083	2	1	CHA	TYPE B
544 W. Oak Street	801	1,198	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	802	1,000	2	1	CHA	TYPE B
544 W. Oak Street	803	1,040	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	804	861	1	1	AFFORDABLE	#504
544 W. Oak Street	805	928	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	806	928	1	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	807	861	1	1	CHA	TYPE B
544 W. Oak Street	808	1,040	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	809	1,000	2	1	CHA	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	810	1,198	2	1	MARKET	TYPE B
544 W. Oak Street	811	1,083	2	1	MARKET	TYPE B
544 W. Oak Street	812	714	1	1	CHA	TYPE B
544 W. Oak Street	813	714	1	1	MARKET	TYPE B
544 W. Oak Street	814	1,005	2	1	AFFORDABLE	TYPE B
544 W. Oak Street	815	1,123	2	1	CHA	TYPE A
544 W. Oak Street	816	714	1	1	AFFORDABLE	TYPE B
544 W. Oak Street	817	714	1	1	AFFORDABLE	TYPE B / AUDIO VISUAL CONDUIT
544 W. Oak Street	818	1,083	2	1	MARKET	TYPE B / AUDIO VISUAL CONDUIT

Exhibit M

Clarifications, Assumptions and Exceptions

(See attached)



LINN-MATHES INC.

309 South Green Street, Chicago, Illinois 60607
Phone (312) 454-0200 Fax (312) 454-6182

**PARKSIDE AT OLDTOWN
BUILDING 6
544 W. OAK STREET
CHICAGO, IL 60610**

Contract Exhibit M - Clarifications, Assumptions and Exceptions

June 22, 2010

General Clarifications

1. Pricing based on drawings prepared by Fitzgerald Associates dated October 26, 2009.
2. Winter conditions & Underground Obstructions are not included.
3. Utility company excess facility charges, distribution system charges and the like for temporary or permanent services is not included.
4. Repairs or restoration of Public Ways shall be limited to work shown on the drawings.
5. Project is figured as tax exempt per Enterprise Zone 4.

Section 013200 – Construction Progress Documentation

1. 1.3.A. – Activity durations shall not be limited to 20 days.
2. 1.4.C. - Strike the section in its' entirety.
3. 1.4.E. - Strike the section in its' entirety.
4. 2.2.A. - Strike the section in its' entirety.
5. 2.2.C. - Activity durations shall not be limited to 20 days.
6. 2.2.D.3. - Strike the section in its' entirety.
7. 2.2.D.7. - Strike the section in its' entirety.
8. 2.2.D.8. - Strike the section in its' entirety.
9. 2.5.C. - Strike the section in its' entirety.
10. 2.5.D. - Strike the section in its' entirety.
11. 2.5.E. - Strike the section in its' entirety.

Section 013300 – Submittal Procedures

1. 1.4.C.1. – Initial review of each submittal shall be 10 days.
2. 1.4.C.3. – Processing of re-submittal shall be 10 days.
3. 1.4.C.4. – Strike the section in its' entirety.

Section 014000 – Quality Requirements

1. 1.7.B. – Revise 1st sentence to, "Tests and inspections not explicitly assigned to Contractor are Owner's responsibility".

Section 015000 – Temporary Facilities and Controls

1. 2.3.B. – Extra cost will be charged for Heating Equipment (labor, material, equipment & subcontractors) related to "Winter Conditions".
2. 3.2.F. – Extra cost will be charged for temporary heating (labor, material, equipment & subcontractors) related to "Winter Conditions".
3. 3.2.J.2. – Strike the section in its' entirety.
4. 3.4.C. – Strike 2nd to last sentence of paragraph.

**Parkside of Oldtown
544 W. Oak Street
Chicago, IL 60610
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5. 3.4.G. – Extra cost will be charged for Temporary Enclosures (labor, material, equipment & subcontractors) related to "Winter Conditions".

Section 016000 – Product Requirements

1. 1.4.A. – Strike section in its entirety.
2. 1.4.B.1 – Strike section in its entirety or provide CSI Form 13.1A to Contractor for review and approval.

Section 017700 –Closeout Procedures

1. 1.4.A.4. – Strike sentence in its entirety.
2. 3.1.C. - Strike paragraph in its entirety.

Section 017839 – Project Record Documents

1. 1.3.B - Strike paragraph in its entirety.

Section 033000 – Cast-in-Place Concrete

1. 3.9.F. – Additional costs apply for Cold-Weather Placement.

Section 042000 – Unit Masonry

1. 1.9.D. – Extra cost will be charged for Cold-Weather Requirements (labor, material, equipment & subcontractors).
2. 2.5.F - Extra cost will be charged for cold-weather construction (labor, material, equipment & subcontractors).
3. 2.13.A.3. - Extra cost will be charged for cold-weather admixture (labor, material, equipment & subcontractors).
4. 3.6.D. – Strike paragraph in its entirety.
5. 3.6.E. – We will provide bituminous damproofing on cavity face of back-up wythe at Commercial and office space. Division 07 Section "Bituminous Damproofing" could not be found in Project Specifications.
6. 3.6.F. – Strike paragraph in its entirety.
7. 3.6.F. – Division 07 Section "Modified Bituminous Sheet Air Barriers or Fluid Applied Membrane Air Barriers" could not be found in Project Specifications.

Section 047200 – Cast Stone

1. 1.6.A. – Extra cost will be charged for Cold-Weather Requirements (labor, material, equipment & subcontractors).

Section 054000 – Cold Metal Framing

1. 2.2.A.2. - Protective coating to be G40 in lieu of G60.
2. 2.2.B.2. - Protective coating to be G40 in lieu of G60.

Section 055000 – Metal Fabrications

1. Continuous plate as shown on 4, 5, 6 & 8/S-14 et.al. will not be used. Details to be provided by supplier of Cold Formed Metal Framing systems.
2. 1.2.C.6 – Referenced section could not be found in Project Specifications.

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3. 2.7.C. – Delete sentence in its entirety.
4. 2.9.C. - Delete sentence in its entirety.
5. 2.11.B. - Delete sentence in its entirety.
6. 2.12.C. - Delete sentence in its entirety.
7. 2.17.C. – Preparation for Shop Priming will be per manufacturer's standard procedures for this type of work.
8. 3.6.A. – Touchup painting will be per manufacturer's standard procedures for this type of work.

Section 055213 – Pipe and Tube Railings

1. 2.8.A, B, C. – Galvanized railings not used.
2. 2.8.E. - Preparation for Shop Priming will be per manufacturer's standard procedures for this type of work.
3. 2.8.G. – High performance coatings not used for stair rails. Finish coating shall be per 099100.
4. 3.6.A. - Touchup painting will be per manufacturer's standard procedures for this type of work.

Section 057300 – Decorative Metal Railings

1. 1.6.D – Mockups will not be built. See buildings 1, 3 & 4 for products to be used.
2. 2.1.A. – Balcony Rail pricing based on Sterling Dula Architectural Products Aluminum Contemporary Style picket railing and solid panel dividers similar to railing and solid panel dividers shown on drawings.
3. 2.9.B. – Balcony rail finish to be Sterling Dula Architectural Products standard color powder coat paint.
4. 2.10.E. – Preparation for shop priming will be per manufacturer's standard procedures for this type of work.
5. 2.10.F. – Shop priming will be per manufacturer's standard procedures for this type of work.

Section 061600 – Sheathing

1. 2.2.A. – Add USG Securock as an acceptable manufacturer.

Section 064023 – Interior Architectural Woodwork

1. 1.2.A.4. – Wood cabinets (Residential Casework) shall be "Coronet", Premier Box Construction as manufactured by Armstrong Cabinet Products. Submittals, layouts and components shall be per manufacturer's stand for this product line.
2. 2.3.B. – Cabinets will be framed, not frameless.
3. 3.2.K. – Kitchen countertops shall be plastic laminate. Reference to granite is made on the drawings. No granite is provided under this contract. Vanity tops will be cultured marble as manufactured by Imperial Marble Corporation as follows. Reference to granite is made on the drawings. No granite is provided under this contract.
 - a. Manufacturer's standard colors only in polished finish.
 - b. 3" back splashes.
 - c. Side / end splashes only where cabinet is tight to an end wall.
 - d. No overflows (manufacturer interprets section 2.1.6 of ANSI Z124.3-1986 as overflows being optional. Due to performance and health issues, Imperial does not offer an overflow).

Section 071413 – Hot Fluid Applied Rubberized Asphalt Waterproofing

1. 2.2 – Add Henry 180 gm4 modified bitumen sheet as an acceptable flashing material.
2. 2.3.F. - Add Henry G100 s/s modified bitumen sheet as an acceptable protection course.
3. 2.5.A.2. – Change 60 psi to 40 psi.

**Parkside of Oldtown
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4. 3.4.C. – Insert “or modified bitumen” after the word “sheet”.
5. 3.4.D. – Insert “or modified bitumen” after the word “sheet”.

Section 072500 – Weather Barriers

1. 2.2.B. – Fasteners to be contractor’s option.
2. 3.3.A. – Strike section in its entirety.

Section 075213 – Atactic-Polypropylene (APP) Modified Bituminous Membrane Roofing

1. Rename this section to “Styrene Butadien Styrene (SDS) Modified Bituminous Membrane Roofing. All reference to Atactic-Polypropylene or (APP) in this section should be replaced with Styrene Butadien Styrene (SDS).
2. 1.2.A. – Replace Atactic-Polypropylene (APP) with Styrene Butadien Styrene (SDS).
3. 1.4.B.1. – Classification to be 1a-60, not 1A-90.
4. 2.1.B. – ASTM standard shall be 6163 not 6223.
5. 2.1.B.1. – Add “SRI > .72 to meet City of Chicago Energy Code” to end of sentence.
6. 2.2.B. – Base sheet to be fiberglass. ASTM rating shall be 2178 VI. Delete “SBS modified”. Deleted “dusted with...both side”.
7. 2.2.B.1. – Delete section in its entirety.
8. 2.3.A. – Description of backer sheet shall be changed to, “SBS base sheet, ASTM 6163, smooth surface, set in hot asphalt”.
9. 2.6.F. – Cover board shall be ASTM C 728 Perlite.
10. 2.6.F.1.a. – Revise to Johns-Mansville.
11. 2.7.A. – Walkway pads shall be a 2nd layer of the modified bitumen cap sheet.
12. 2.7.A.1. – Pad size will be 36” wide.
13. 3.3.G.1. – Replace “insulation adhesive” with “type III asphalt”.
14. 3.4.A.2. – Replace “(cold applied adhesive)” with “hot asphalt”.
15. 3.4.A.3. – Strike sentence in its entirety.
16. 3.4.A.4. – Strike the word, “base”. Change the word, “one” to “two”.
17. 3.4.A.5. – Change “APP” to “SBS”.
18. 3.4.F. – Change “SEBS” to “type III”.
19. 3.5 – Strike section in its entirety.
20. 3.6.A. – Add sub section 1. Adhere two fiberglass plies in hot asphalt.
21. 3.7.A.1. – Strike sentence in its entirety.
22. 3.8.A.2. - Strike section in its entirety.
23. 3.8.A.4. - Strike section in its entirety.
24. 3.9.A. – Replace “in cold applied adhesive” with “by heat weld”.

Section 076200 – Sheet Metal Flashing and Trim

1. 1.3.B. - Strike paragraph in its entirety. FMG tests not available for the custom cornices we are building.
2. 2.1.A. – Aluminum sheet will not be used. 24 gauge galvanized sheet with Kynar 500 prefinish shall be used.
3. 2.4.C.2. – Strike paragraph in its entirety. Lap seams and splice plates will be used instead.
4. 2.5.A.2. - Aluminum will not be used. 24 gauge galvanized steel with Kynar 500 prefinish shall be used.
5. 2.5.D. – Lead flashings installed by plumber will be used

Section 083213 – Sliding Aluminum Framed Glass Doors

1. 1.3.A.3. – Strike sentence in its entirety.

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2. 1.9.A.2.a. – Warranty period shall be 1 year from date of substantial completion.
3. 1.9.A.2.b. – Warranty period shall be 5 years from date of substantial completion.
4. 1.9.A.2.c. – Warranty period shall be 5 years from date of substantial completion (AAMA 2.604).
5. 2.1.A. - Sliding Aluminum Framed Glass Door pricing based on Quaker Window & Doors, series Q620.

Section 083613 – Sectional Doors

1. 1.1.B.1. – Clear tempered glass shall be used, not ceramic frit glass.
2. 1.3.A.2. - Strike sentence in its entirety.

Section 084113– Aluminum Framed Entrances and Storefronts

1. 1.9.A.2. - Warranty period shall be 1 year from date of substantial completion.
2. 1.9.5.3. - Warranty period shall be 5 years from date of substantial completion.

Section 085113 – Aluminum Windows

1. 1.2.A. – Replace the word “Double” with “Single”.
2. 1.2.A. – Add, “Hopper Windows”.
3. 1.5.B.1. – Performance Class to be C, not HC.
4. 1.5.B.2. – Performance Grade to be 50, not 40.
5. 1.9.A.2. - Warranty period shall be 1 year from date of substantial completion.
6. 1.9.B. - Warranty period shall be 5 years from date of substantial completion.
7. 2.1.A. – Window pricing is based on the following Quaker Window & Doors, series:
 - a. “#6100” for single hung windows
 - b. “Condor” for fixed and hopper windows.
8. 2.5.A. – Strike language in last sentence starting at, “and provide for each....ventilator.
9. 2.6.1). – Delete section in its entirety.
10. 2.7.B.2. - Replace the word “Double” with “Single”, and the designation “HC” with “C”.
11. 2.7.C. – Strike sentence in its entirety.
12. 2.8.C. – Finish to be AAMA 2.604 (not 2.605).
13. 3.3.B.1. – Windows will only be warranted for AAMA 502 Test Method A (not B).

Section 087100 - Finish Hardware

1. 2.3.I. - McKinney shall be added as an acceptable manufacturer for hinges.
2. 2.4.C.1. - Locks are priced with standard 6 pin cores, master keyed and construction master keyed. An interchangeable core system is not provided.
3. 2.6.D.3. - Falcon Lock Co., a division of Ingersoll-Rand Security shall be used for Mortise Locks and Residential Cylindrical Locks (M series at unit entries and common areas, Y series at unit interiors).

Section 088001 – Façade Glazing

1. 1.10.A.1. - Warranty period shall be 5 years from date of substantial completion.
2. 1.10.B.1. - Warranty period shall be 5 years from date of substantial completion.

Section 088300 – Mirrors

1. Delete section in its entirety. Section refers to frameless mirrors which are not part of the scope of this contract.

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Section 089000 – Louvers and Vents

1. 2.1.A. - Louvers shall be FL-D-4's as manufactured by United Enertech.

Section 092116 – Gypsum Board Shaft Wall Assemblies

1. 2.3.A.2. – Delete section in its entirety.
2. 2.4.B.1. – Protective coating to be G40 in lieu of G60.
3. 2.6.F. – Delete section in its entirety. Top runner tracks will be the same as Runner Tracks.
4. 2.6.G. – Delete section in its entirety.

Section 092216 – Non Structural Framing

1. 2.3.B.1. – Delete last sentence starting with the words, "and with continuous bridging".
2. 2.4.B. – Delete paragraph in its entirety.

Section 092900 – Gypsum Board Assemblies

1. 2.4.C. Delete section in its entirety. Dens-armour will be used in bathrooms at ceramic tile areas.
2. 2.9.B..2. – Substitute the word "medium" for the word "fine".
3. 3.3.F.2. – Strike paragraph in its entirety.

Section 093100 – Tiling

1. 1.9. – Strike paragraph in its entirety. Excess material and factory over runs will be left on site.

Section 096513 – Resilient Base and Accessories

1. 1.7. – Strike paragraph in its entirety. Excess material and factory over runs will be left on site.

Section 096519 – Resilient Tile Flooring

1. 1.7. – Strike paragraph in its entirety. Excess material and factory over runs will be left on site.

Section 096813 – Tile Carpeting

1. 1.3.B. – Delete section in its entirety.
2. 1.8 – Extra material limited to factory over runs.

Section 099100 – Painting

1. 1.1.B.1. – Painting of exposed bare pipe, duct work, hangers supports etc., shall be limited to bulk sprinkler mains in common corridors.
2. 2.1.B. – Add ICI as an acceptable manufacturer (Glidden Professional).
3. 2.3.A. - Add ICI as an acceptable manufacturer (Glidden Professional).
4. 2.4.B. – Add Devoe low VOC Universal primer as an acceptable manufacturer.
5. 2.5.B. – Add Glidden Hi Hide wall paint as an acceptable manufacturer.
6. 2.6.A. – Add Devoe Devguard rust preventative alkyd as an acceptable manufacturer.
7. 2.7.A. – Add Glidden Professional Promaster flat as an acceptable manufacturer.
8. 2.7.B. – Add Glidden Professional Ultra-Hide 150 latex eggshell as an acceptable manufacturer.
9. 2.7.C. – Add Glidden Professional Ultra-Hide 150 latex semi-gloss as an acceptable manufacturer.

10. 3.2.C.3.b. – Delete 2nd sentence of paragraph.
11. 3.2.C.3.c. – Delete paragraph in its entirety.
12. 3.3.A.6. - Delete paragraph in its entirety.
13. 3.3.A.7. - Delete paragraph in its entirety.
14. 3.3.A.9. - Delete paragraph in its entirety.
15. 3.3.A.10. - Delete paragraph in its entirety.
16. 3.3.E. - Delete paragraph in its entirety.
17. 3.3.F. - Delete paragraph in its entirety.
18. 3.3.G. - Delete paragraph in its entirety.
19. 3.3.K. - Delete paragraph in its entirety.
20. 3.7.A.1. – Replace sentence with, " One coat BASF Sonneborn Super Color Coat.
21. 3.7.A.1.a. – Delete sentence in its entirety.
22. 3.7.A.1.b. – Delete sentence in its entirety.
23. 3.7.B.1. – Replace the word "two" with "one".
24. 3.7.B.1.a. – Delete sentence in its entirety.
25. 3.8.A.1. - Replace the word "two" with "one".
26. 3.8.B.1. - Replace the word "two" with "one".
27. 3.8.D.1. - Replace the word "two" with "one". Strike sentence starting with the word "over".
28. 3.8.D.1.a. - Delete sentence in its entirety.
29. 3.8.E.1. - Replace the word "two" with "one". Strike sentence starting with the word "over".
30. 3.8.E.1.a. - Delete sentence in its entirety.
31. 3.8.F. - Delete sentence in its entirety.

Section 099600 – High Performance Coatings

1. 2.1 – Delete section in its entirety.

Section 102220 – Bicycle Storage Units

1. 2.1.A. – Add Saris Cycling Group to list of approved manufacturers.

Section 102800 – Toilet and Bath Accessories

1. 1.5.A.1. - Warranty period shall be 1 year from date of substantial completion.
2. 2.2.B. - Medicine Cabinets over vanities shall be: Nutone, Model 967230, Tri-View, Honey Finish

Section 113100 – Residential Appliances

1. 1.5.A.3. - Warranty period shall be 1 year from date of substantial completion.

Section 116800 – Playfield Equipment and Structures

1. 2.1 – Playground equipment shall be "Kid Builder" as manufactured by Little Tikes and represented by Parkreation Inc., Arlington Heights, IL, to match the equipment used at building 4.
2. 2.2 – Layout shall be per building 4 approval.

Section 142100 – Electric Traction Elevator

1. 2.2.A. - Elevator shall be Otis Elevator Company standard pre-engineered Gen2™ L series gearless machine room-less elevators. Components of any kind deemed "Custom", by manufacturer, are excluded.

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2. 2.3.C.3. – Battery-Powered Lowering is redundant to Emergency Power Operation. Emergency Power Operation is included. Battery-Powered Lowering is excluded.
3. 2.3.D.1. – Excluded. Can be provided at additional cost.
4. 2.3.D.2. – Excluded. Redundant to 2.3.D.3.
5. 2.3.D.3. – Excluded. Redundant to 2.3.D.3.
6. 2.6.B.11. – Ceiling to be aluminum egg crate with fluorescent lighting (in lieu of metal ceilings with incandescent down lights) to match buildings 1, 3 & 4.
7. 2.8.B & C – Two types of car operating panels are specified. We have included Otis standard applied car operating panel (in lieu of swing return) to match what was provided at Buildings 1, 3 & 4.
8. 2.8.F. - Hall position indicators at the 1st floor only for both elevators to match what was provided at Buildings 1, 3 & 4.
9. 2.8.H.3. – We do not include telephone jacks as they are not required or used in the City of Chicago.
10. 2.8.I. – We have included in-car lanterns mounted in both car door jambs (in lieu of hall lanterns at each floor) to match what was provided at Buildings 1, 3 & 4.
11. 2.9.A. – Delete feature in its entirety.

Section 149100 – Facility Chutes

1. Interlocking of intake doors is excluded.
2. 2.3.B. – Delete section in its entirety.

Section 210500 – Fire-Suppression Piping (& Systems)

1. Pricing reflects heated 2nd floor Parking Area (Value Engineering), and therefore the use of wet brass up right heads in lieu of dry pendant heads as shown on drawings.

Section 220700 – Plumbing Insulation

1. 3.11.A. – After, “Domestic Cold Water”, add “(excluding Branch Run-outs in walls).
2. 3.11.B. - After, “Domestic Hot and Recirculating Hot Water”, add “(excluding Branch Run-outs in walls).

Section 221116 – Domestic Water Piping

1. Water Tap Fees are to be paid for by others.
2. 3.11.A.2.a.1. – Delete section in its entirety.
3. 3.11.A.2.a.2. – Delete section in its entirety.
4. 3.11.A.2.c. – Delete section in its entirety.
5. Type L copper shall be used for piping 3” and smaller. Schedule 40 galvanized for 4” and larger. No type K copper as specified is included.

Section 221123 – Domestic Water Pumps

1. 2.2.A. – Add Peerless, Gould and Grundfos as acceptable manufacturers.
2. 2.3.A. – Add Peerless, Gould and Grundfos as acceptable manufacturers.

Section 221413 – Sanitary Waste Piping Specialties

1. Trench drains not shown on plumbing drawings are not included.

Section 223400 – Fuel-Fired Domestic Water Heaters

2.2.A.1. – Add A.O. Smith and Teledyne Labs as acceptable manufacturers.

Section 230523 – General Duty Valves for HVAC Piping

1. Ball valves and/or butterfly valves will be used on the heating hot water and chilled water in lieu of gate valves.

Section 230800 – Commissioning of HVAC

1. Strike section in its entirety.

Section 316400 – Caissons

1. Specification section not included in Project Specifications.
2. Costs for additional caissons, coring through existing caissons or caisson bells, relocation of proposed caissons or any other modifications to the proposed caisson plan, due to (but not limited to) existing deep foundations, or other obstructions, which may not have been removed when the former CHA Cabrini buildings were demolished, are not included.

Section 02210 – Trenching & Backfilling

1. 3.2.C. - Excavation and removals shall be limited to nothing greater than typical urban fill. Any obstruction encountered, which is larger than bucket being used to perform the work being obstructed, shall be removed and backfilled at additional cost.

Section 02300 – Earthwork

1. 3.2.A. – Well points are not included.
2. 3.2.B. - Well points are not included.
3. 3.4.A. - Excavation and removals shall be limited to nothing greater than typical urban fill. Any obstruction encountered, which is larger than bucket being used to perform the work being obstructed, shall be removed and backfilled at additional cost.

Site Gas, Power & Communications

Power Work

1. Furnish and install one sectionalizer pad.
2. Furnish and install one ComEd splice pit. ComEd to supply splice pit. We will pick it up from their yard and transport it to the site.
3. Furnish and install one ComEd concrete transformer pad.
4. Furnish, install and concrete encase, six, 5" pvc conduits from sectionalizer pad to the west property line.
5. Furnish, install and concrete encase, two, 5" pvc conduits from sectionalizer to ComEd transformer pad, through the splice pit, then loop these pipes through the three phase transformer pad and then extend the piping to the east property line (approximately 420').
6. Furnish and install 3" pvc secondary pipe loops from transformer pad to two, ComEd pedestal locations. These pedestals will be for the future power feeds to buildings #23 & 24. This secondary piping will be concrete encased under the roadways and driveway areas, per ComEd requirements.

Phone Work

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1. Furnish and install one, 4" pvc phone "trunk" conduit, from the northwest corner of building #6, looping through [2] pedestals, and then extending to the east property line, approximately 420'. This conduit will not be concrete encased.
2. Furnish and install one, 4" pvc phone pipe from the north phone pedestal to two, phone pedestal locations. These pedestals will be for the future phone feeds to buildings #23 & 24.

Cable Work

1. Furnish and install two, 4" pvc cable "trunk" conduits, one for Comcast, one for RCN, from the northwest corner of building #6, looping through [2] separate pedestals, and then extending to the east property line, approximately 420' each. These conduits will not be concrete encased.
2. Furnish and install one, 4" pvc cable pipe from each of the north Comcast & RCN cable pedestals to two cable pedestal locations each. These pedestals will be for the future cable feeds to buildings #23 & 24.

General Site Gas, Power & Communications Clarifications

1. All underground utility conduits to be installed in the same trench. All conduit to be installed on top of one another, i.e. in the same 24" wide trench, with ComEd primary piping being on the bottom, concrete encased, and phone/cable piping being on the top of the concrete encasement.
2. Proposal based on trench work to be through normal urban fills. It is assumed that the fills will not require additional labor and/or equipment to remove, tunnel, or cut and will be void of concrete fill, footings, or foundations.
3. All trenches to be backfilled with spoils removed.
4. Nylon pull strings will be left in all conduit install under this proposal.
5. All underground utility sleeves will be schedule 40 pvc. All stubs above grade for transformers, pedestals, and units will be pvc type also.
6. Does not include costs or work (trenching, piping, backfill, etc.) associated with installation of the Peoples Gas, Gas Distribution System to the building's meter bank location.

Exhibit N

Form of Payment and Performance Bond

(See attached)

THE AMERICAN INSTITUTE OF ARCHITECTS



DRAFT

Bond No.929505292

AIA Document A312

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

Linn-Mathes, Inc.
309 S. Green St.
Chicago, IL 60607

SURETY (Name and Principal Place of Business):

Continental Casualty Company
333 S. Wabash
Chicago, IL 60604

OWNER (Name and Address):

Parkside Nine Phase II, LP c/o
Holsten Real Estate Development Corp.
1333 N. Kingsbury, Suite 305
Chicago, IL 60642

CONSTRUCTION CONTRACT

Date:

Amount: (\$ 28,750,609.00) Twenty Eight Million Seven Hundred Fifty Thousand Six Hundred Nine Dollars and 00/100

Description (Name and Location):Parkside of Old Town Phase II, Rental Building No. 6

BOND

Date (Not earlier than Construction Contract Date):

Amount: (\$ 28,750,609.00) Twenty Eight Million Seven Hundred Fifty Thousand Six Hundred Nine Dollars and 00/100

Modifications to this Bond:

None

See Page 3

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)

Linn-Mathes, Inc.

Signature: _____

Name and Title: DRAFT

SURETY

Company: (Corporate Seal)

Continental Casualty Company

Signature: _____

Name and Title: DRAFT
Attorney-in-Fact

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY—Name, Address and Telephone)

AGENT or BROKER:

The Rockwood Company
20 N. Wacker Dr.
Chicago, IL 60606

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

FitzGerald Associates Architects PC
912 West Lake Street
Chicago, IL 60607

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for

which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation avail-

able to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Con-

tractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

Rider A

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: _____ (Corporate Seal)

SURETY
Company: _____ (Corporate Seal)

Signature: _____
Name and Title:
Address:

Signature: _____
Name and Title:
Address:

THE AMERICAN INSTITUTE OF ARCHITECTS



DRAFT

Bond No. 929505292

AIA Document A312

Payment Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

Linn-Mathes, Inc.
309 S. Green St.
Chicago, IL 60607

SURETY (Name and Principal Place of Business):

Continental Casualty Company
333 S. Wabash
Chicago, IL 60604

OWNER (Name and Address):

Parkside Nine Phase II, LP c/o
Holsten Real Estate Development Corp.
1333 N. Kingsbury, Suite 305
Chicago, IL 60642

CONSTRUCTION CONTRACT

Date:

Amount: (\$28,750,609.00) Twenty Eight Million Seven Hundred Fifty Thousand Six Hundred Nine Dollars and 00/100

Description (Name and Location): Parkside of Old Town Phase II, Rental Building No. 6

BOND

Date (Not earlier than Construction Contract Date):

Amount: (\$ 28,750,609.00) Twenty Eight Million Seven Hundred Fifty Thousand Six Hundred Nine Dollars and 00/100

Modifications to this Bond:

[] None

[x] See Page 6

CONTRACTOR AS PRINCIPAL

Company:

Linn-Mathes, Inc.

Signature:

Name and Title: DRAFT

(Corporate Seal)

SURETY

Company:

Continental Casualty Company

Signature:

Name and Title: DRAFT

(Corporate Seal)

Attorney-in-Fact

(Any additional signatures appear on page 6)

(FOR INFORMATION ONLY—Name, Address and Telephone)

AGENT or BROKER:

The Rockwood Company
20 N. Wacker Dr.
Chicago, IL 60606

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

FitzGerald Associates Architects PC
912 West Lake Street
Chicago, IL 60607

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2 With respect to the Owner, this obligation shall be null and void if the Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

4 The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with the Contractor:

- .1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
- .2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and
- .3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

5 If a notice required by Paragraph 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

6 When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2 Pay or arrange for payment of any undisputed amounts.

7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this

Bond shall be construed as a statutory bond and not as a common law bond.

14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15 DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the

Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

Rider A

"Paragraph 6 of this Bond is deleted in its entirety and replaced with the following provisions: "Within a reasonable time (1) after the Claimant has satisfied the conditions of Paragraph 4 and (2) after the Surety has reviewed all supporting documentation it requested to substantiate the amount of the claim, the Surety shall pay or arrange for payment of any undisputed amounts.

Failure of the Surety to satisfy the above requirements shall not be deemed a forfeiture or waiver of the Surety's or the Contractor's defenses under this Bond or their right to dispute such claim. However, in such event the Claimant may bring suit against the Surety as provided under the Bond."

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company:

(Corporate Seal)

SURETY
Company:

(Corporate Seal)

Signature: _____
Name and Title:
Address:

Signature: _____
Name and Title:
Address:

EXHIBIT F
Approved Prior Expenditures

None.

EXHIBIT G
Permitted Liens

1. Liens or encumbrances against the Property (and related improvements):

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

2. Liens or encumbrances against the Partnership or the Project, other than liens against the Property (and related improvements), if any:

NONE.

EXHIBIT H
Opinion of Counsel for Developer Parties

[To be retyped on Developer Parties' Counsel's letterhead]

_____, 2010
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Parkside Nine Phase II, LP, an Illinois limited partnership (the "Developer"), in connection with the construction of certain improvements on _____ located in the Near North Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) Parkside IIA Rental Project Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of Developer's (i) Certificate of Formation, as amended to date, (ii) Amended and Restated Agreement of Limited Partnership, (iii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, and (iv) records of all corporate proceedings relating to the Project; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

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

Based on the foregoing, it is our opinion that:

1. Developer is a limited partnership duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification,

except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Certificate of Formation or Amended and Restated Agreement of Limited Partnership or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than in favor of any lender providing lender financing.

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

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

5. Exhibit A attached hereto (a) identifies the members and managers of Developer and the percentage interest held by each member. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the equity of Developer. Each outstanding interest of Developer is duly authorized, validly issued, fully paid and nonassessable.

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

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

8. To the best of our knowledge after diligent inquiry, all of the assets of

Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

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

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

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

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America or the laws of the State of Illinois.

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

Very truly yours,

By: _____

Name: _____

EXHIBIT I
Form of Payment and Performance Bond

See attached.

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A312

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

SURETY (Name and Principal Place of Business):

OWNER (Name and Address):

CONSTRUCTION CONTRACT

Date:
Amount:
Description (Name and Location):

BOND

Date (Not earlier than Construction Contract Date):
Amount:
Modifications to this Bond:

None See Page 3

CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)

SURETY
Company: (Corporate Seal)

Signature:
Name and Title:

Signature:
Name and Title:

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for

which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if not liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received

by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: _____ (Corporate Seal)

SURETY
Company: _____ (Corporate Seal)

Signature: _____
Name and Title:
Address:

Signature: _____
Name and Title:
Address:

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A312

Payment Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

SURETY (Name and Principal Place of Business):

OWNER (Name and Address):

CONSTRUCTION CONTRACT

Date:
Amount:
Description (Name and Location):

BOND

Date (Not earlier than Construction Contract Date):
Amount:
Modifications to this Bond:

None [] See Page 6

CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)

SURETY
Company: (Corporate Seal)

Signature:
Name and Title:

Signature:
Name and Title:

(Any additional signatures appear on page 6)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2 With respect to the Owner, this obligation shall be null and void if the Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

4. The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with the Contractor:

.1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

.2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and

.3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

5 If a notice required by Paragraph 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

6 When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2 Pay or arrange for payment of any undisputed amounts.

7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirements shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this

Bond shall be construed as a statutory bond and not as a common law bond.

14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15 DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used

in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: _____ (Corporate Seal)

SURETY
Company: _____ (Corporate Seal)

Signature: _____
Name and Title:
Address:

Signature: _____
Name and Title:
Address:

EXHIBIT J

FORM OF CITY NOTE

Form of City Note for up to a maximum amount of \$8,216,100 and related Certificate of Expenditure are attached to this exhibit cover sheet.

CERTIFICATE OF EXPENDITURE

_____, 200__

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$8,216,100 Tax Increment Allocation Revenue Note
(Parkside IIA Rental Project Redevelopment Project), Taxable Series A
(the "City Note")

This Certificate is submitted to you, as Registered Owner of the City Note, pursuant to the Ordinance of the City authorizing the execution of the City Note adopted by the City Council of the City on _____, 2010 (the "Ordinance"). All terms used herein shall have the same meanings as when used in the Ordinance.

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

IN WITNESS WHEREOF, the City has caused this Certificate to be signed on its behalf as of _____, _____.

CITY OF CHICAGO

By: _____,

Commissioner
Department of Community Development

AUTHENTICATED BY:

REGISTRAR

REGISTERED
NO. R-1

MAXIMUM AMOUNT
NOT TO EXCEED
\$8,216,100

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE
(PARKSIDE NINE PHASE II PROJECT REDEVELOPMENT PROJECT)
TAXABLE SERIES A**

Registered Owner: Parkside Nine II, LLC, an Illinois limited liability company

Interest Rate: 0% per annum; adjusting to the interest rate per annum equal to the JPMorgan Chase Prime rate on the 4th anniversary of the Certificate (as defined in the Redevelopment Agreement defined below)

Maturity Date: July 30, 2020

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the Ordinance hereinafter referred to up to the principal amount of \$8,216,100 and to pay the Registered Owner or registered assigns interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above. Principal of and interest on this Note are payable on or before May 1st of each year from Available Incremental Taxes as provided in the Redevelopment Agreement (hereinafter defined), to be applied first to accrued and unpaid interest and the balance to principal.

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the 15th day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City.

This Note is issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by Parkside Nine Phase II, LP, an Illinois limited partnership (the "Partnership"), of up to \$8,216,100 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Partnership in connection with the redevelopment of property in the Near North Redevelopment Project Area (the "Project Area") in the City, with such redevelopment work and related construction being defined as the "Project", all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) as amended (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) as amended and an Ordinance adopted by the City Council of the City on _____, 2010 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal of and interest of the Note. The revenues so pledged are described in the Redevelopment Agreement (hereinafter defined) as: "Available Incremental Taxes". Reference is hereby made to the aforesaid

Ordinance for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note and the terms and conditions under which the Note is issued and secured. **THIS NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE CITY BUT IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM THE AVAILABLE INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.**

The principal of this Note is subject to prepayment and redemption at any time without premium or penalty.

This Note is transferable with the consent of the City by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the 15th day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of 5 days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the

Redevelopment Agreement provide. Pursuant to the Redevelopment Agreement dated as of _____, 2010 (the "Redevelopment Agreement") between the City, Partnership, Parkside Associates, LLC, an Illinois limited liability company ("Parkside") and Parkside Nine II, LLC, an Illinois limited liability company ("General Partner", and together with Partnership and Parkside, the "Developer Parties"), the Developer Parties have agreed to construct the Project and to advance funds for the incursion under the TIF Act of certain eligible redevelopment project costs related to the Project. Such costs up to the amount of \$8,216,100 shall be deemed to be a disbursement of the proceeds of this Note, and the outstanding principal amount of this Note shall be increased by the amount of each such advance from time to time. The principal amount outstanding of this Note shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the City in accordance with the Redevelopment Agreement, minus any principal amount paid on this Note. The City shall not execute Certificates of Expenditure with respect to this Note that total in excess of \$8,216,100. The principal amount of this Note may be reduced as provided in the Redevelopment Agreement.

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

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

Mayor

(SEAL)
Attest:

City Clerk

CERTIFICATE
OF
AUTHENTICATION

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

This Note is described in the
within mentioned Ordinance and
is the \$8,216,100 Tax Increment
Allocation Revenue Note
(Parkside IIA Rental Project
Redevelopment Project), Taxable Series A,
of the City of Chicago,
Cook County, Illinois.

Comptroller

Date: _____

\$8,216,100
City Note
Debt Service Schedule

<u>Payment Date</u>	<u>Payment Amount</u>
Certificate of Completion	\$1,643,220
1 st Anniversary of Certificate	\$1,643,220
2nd Anniversary of Certificate	\$1,643,220
3rd Anniversary of Certificate	\$1,643,220
4th Anniversary of Certificate	\$1,643,220

(ASSIGNMENT)

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

Dated: _____
Registered Owner

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

Signature Guaranteed: _____

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

Consented to as of: _____

City of Chicago, Illinois

By: _____
Title: _____, Department of
Community Development

EXHIBIT K

Lender Financing

A. Lender Financing:

1. Amount: Not to exceed \$15,000,000
Term: Not to exceed 36 months
Source: JPMorgan Chase, N.A., or another entity acceptable to the DCD Commissioner
Interest: 7% or such other rate acceptable to the DCD Commissioner
Security: A first mortgage lien (construction period) on the Property
2. Amount: Not to exceed \$2,086,000
Term: Not to exceed 18 years
Source: Alliant Capital LLC, or another entity acceptable to the DCD Commissioner
Interest: 9.62% or such other rate acceptable to the DCD Commissioner
Security: A first mortgage lien (permanent) on the Property
3. Amount: Up to \$7,776,000
Source: Chicago Housing Authority - HOPE VI Funds or Capital Development Funds
Term: Not to exceed 42 years
Interest: Zero percent per annum
Security: A second mortgage lien on the Property
4. Amount: Up to \$3,710,019
Source: City of Chicago Multi-Family Program Funds
Term: Not to exceed 42 years
Interest: One percent per annum
Security: A third mortgage lien on the Property
5. Amount: Not to exceed \$2,040,000
Source: CHA, through sale of IL Affordable Housing Tax Credits and loan of proceeds
Term: Not to exceed 42 years
Interest: Zero percent per annum
Security: A fourth mortgage lien on the Property
6. Amount: Up to \$8,216,100
Source: CHA bridge loan of federal stimulus funds
Term: Not to exceed 7 years
Interest: Zero percent per annum
Security: A second mortgage lien during construction on the Property

B. Other Financing

1. Approximately \$17,883,212 to be derived from the syndication by the General Partner of \$2,450,000 of Low-Income Housing Tax Credits allocated by the City.
2. The General Partner will also contribute \$10,000.

EXHIBIT L
Escrow Agreement

See attached

CONSTRUCTION ESCROW AND DISBURSEMENT AGREEMENT

This CONSTRUCTION ESCROW AND DISBURSEMENT AGREEMENT (the "Escrow Agreement"), dated as of June 30, 2010, is made and executed by the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), Parkside Nine Phase II, LP, an Illinois limited partnership (the "Borrower"), Greater Illinois Title Company, an Illinois corporation (the "Escrow Agent"), JPMorgan Chase Bank, N.A., a national banking association (the "Senior Lender"), Chicago Housing Authority, a public body corporate and politic organized under the laws of the State of Illinois (the "CHA Lender"), and Parkside Associates, LLC, an Illinois limited liability company (the "Remediation Party"), all as more particularly described on Exhibit A hereto. The City and the undersigned Senior Lender and the CHA Lender are referred to herein collectively as the "Funders."

Preliminary Statement

The City has made a loan to the Borrower (the "City Loan") pursuant to that certain Housing Loan Agreement (HOME) by and between the City and Borrower dated as of the date hereof (such loan agreement, as amended, supplemented and restated from time to time, the "City Loan Agreement"). The Senior Lender has made the senior loan to the Borrower (the "Senior Loan") pursuant to the senior loan documents (herein as amended, supplemented and restated from time to time, the "Senior Loan Agreement"). The CHA Lender has made the loans to the Borrower (the "CHA Loans") pursuant to the CHA loan documents (herein as amended, supplemented and restated from time to time, the "CHA Loan Agreements"). The City Loan Agreement, the Senior Loan Agreement, the CHA Loan Agreements and the Remediation Agreement are referred to herein collectively as the "Agreements." The City Loan, the Senior Loan and the CHA Loans are referred to herein collectively as the "Loan(s)." The total amount of each Loan is set forth on Part I of Exhibit B hereto. Some or all of the Loans are secured by separate mortgages (collectively, 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 Funders' Mortgage(s), collectively referred to herein as the "Policies."

The Borrower, the CHA Lender and the Remediation Party will enter into that certain Remediation Agreement dated as of the date hereof (the "Remediation Agreement"), pursuant to which the CHA Lender will fund certain remediation costs associated with the Project (as defined in the City Loan Agreement) (such funds, the "Remediation Funds"). Additionally, Borrower, the Remediation Party and the General Contractor (defined below) entered into that certain Remediation Contract (the "Remediation Contract") pursuant to which "Remediation Work," as defined in Paragraph 2 of the Remediation Agreement, will be performed. Although a source of funds for the Project, the Remediation Funds do not constitute Escrowed Proceeds as defined herein.

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) and Remediation Funds, 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"), into which all funds shall be deposited hereunder in the amounts set forth in Part I of Exhibit C hereto (collectively, including the hereinafter defined Cash Equity but excluding the Remediation Funds, the "Escrowed Proceeds"). The Escrow Account shall also include a separate subaccount for the Remediation Funds deposited by the CHA Lender (the "Remediation Subaccount"). The Escrow Agent will provide, upon written request, any information regarding the disbursement of funds from the Escrow Account or the Remediation Subaccount, including but not limited to specific disbursements of the proceeds of the City Loan, the Cash Equity and any Senior Loan, CHA Loan or the Remediation Funds.

B. Borrower's Deposits. On the date hereof (or such other date or dates, if any, as set forth in Part I of Exhibit C hereto), the Borrower will deposit into the Escrow Account the total amount set forth as Cash Equity on Part I of Exhibit C (the "Cash Equity"). Other portions of Equity (as defined in the City Loan Agreement) shall be deposited from time to time by the Borrower as specified in Exhibit G of the Senior Loan Agreement and also as required under Section 27 of the City Loan Agreement.

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), 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 a Loan hereunder, such Funder shall make a deposit with the Escrow Agent of all or a portion of the proceeds of its respective Loan, 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) the conditions to disbursement in each Funder's Agreement have been satisfied; and (iv) no Funder shall be obligated to deposit any proceeds of such Funder's Loan unless, at the time of such request, such Funder's Loan is In Balance (as defined in the applicable Agreement) and shall remain In Balance following such disbursement. If any Funder 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.

D. Remediation Subaccount Deposits. The Remediation Agreement and Remediation Contract generally provide that the General Contractor and the Remediation Party, in the course of performing certain site work including, without limitation, excavation, grading, disposal and fill work, must determine what portion of such site work constitutes Remediation Work covered by the Remediation Contract and what portion of such site work is included within the scope of that certain Construction Contract dated as of June 30, 2010, between the Borrower and the General Contractor (the "Construction Contract"). If the General Contractor and the Remediation Party determine that site work, or some portion thereof, constitutes work required under the scope of the Construction Contract, then the cost of such site work shall be

included in the draw request and funded with Escrowed Proceeds. If the General Contractor and the Remediation Party determine that site work, or some portion thereof, constitutes Remediation Work covered by the Remediation Contract, then the cost of such Remediation Work shall be included as a separate line item on the Owner's Statements and Contractor's Statements, and the CHA Lender shall then deposit sufficient Remediation Funds into the Remediation Subaccount to pay for such Remediation Work costs and such funds shall be disbursed in accordance with Section IV below.

II. Allocation of Costs with Respect to Sources of Funds.

A. Disbursements of Cash Equity. Except as otherwise set forth in Exhibit D hereto, until such time as all of the Cash Equity shall have been disbursed hereunder, each amount so disbursed hereunder (whether for Eligible Costs or Ineligible Costs, as defined below) shall be funded from Cash Equity as set forth on Exhibits C and D hereto.

B. Disbursement of Funders' Loans. The Funders' Loans shall be disbursed as follows:

1. Ineligible Costs. After all of the Cash Equity shall have been disbursed hereunder (except as set forth in Exhibit D hereto), each amount disbursed for costs described on Exhibit D hereto as Ineligible Costs (the "Ineligible Costs") shall be funded from the Senior Loan or the CHA Loan as set forth on Exhibits C and D hereto.

2. Eligible Costs. After all of the Cash Equity shall have been disbursed hereunder (except as set forth in Exhibit D hereto), each amount disbursed for costs described on Exhibit D hereto as Eligible Costs (the "Eligible Costs") shall be funded from the Funders' Loans as set forth on Exhibits C and D hereto.

The Funders, and not the Escrow Agent, are responsible for determining the amount of each Funder's pro rata disbursement requirement for each disbursement as described in this Section II(B). Such amounts and each Funder's agreement thereto shall be evidenced by the written request for disbursement signed by the Borrower and each Funder, and the Escrow Agent is entitled to rely thereon, without further inquiry.

C. Disbursement of Remediation Funds. With respect to the disbursement of the Remediation Funds, each amount disbursed for Remediation Work shall be funded from the Remediation Subaccount pursuant to a separate Owner's Statement and Contractor's Statement approved by the CHA Lender for Remediation Work. Borrower shall cause the Remediation Contractor (as defined in the Remediation Contract) periodically to submit draw requests for payments for the Remediation Work. Disbursement of funds from the Remediation Subaccount shall be a process conducted independently of the draw process for the Project and shall require only the approval of CHA Lender, but shall otherwise take place and require the submission of sworn statements, lien waivers and supporting documentation consistent with the requirements of Section III through IV of this Escrow Agreement, copies of which shall be supplied to the Senior Lender.

III. Manner of Disbursement; Timing of Payments. 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 the General Contractor evidencing payment due for labor and/or materials furnished for the Project (as defined in the City Loan Agreement);

B. To the undersigned general contractor (the "General Contractor") 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 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. For costs related to Remediation Work included in an Owner's Statement and Contractor's Statement for Remediation Work approved by the CHA Lender, by checks to the General Contractor or when substantiated by a payment affidavit and lien waiver from the subcontractor; and/or

E. To the Borrower and/or other parties as approved by the Borrower and the Funders for non-construction items.

For purposes of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services, labor, materials and supplies to the Project. Upon receipt of Escrowed Proceeds (and, if applicable, Remediation Funds) sufficient to cover each disbursement, Escrow Agent will immediately notify the General Contractor and the Borrower that the check covering construction items may be picked up.

IV. Conditions Precedent to Disbursements. NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER UNTIL ALL FUNDERS, WHETHER OR NOT CONTRIBUTING FUNDS TO SUCH DISBURSEMENT, HAVE APPROVED THE DISBURSEMENT REQUEST. IF ANY FUNDER HAS NOTIFIED THE ESCROW AGENT IN WRITING EITHER ELECTRONICALLY OR BY TELECOPY NOT TO DO SO, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS HEREUNDER (a) EXCEPT AS PROVIDED IN SECTION VI(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:

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, and a separate sworn owner's statement identifying all contracts entered into and costs incurred by the Remediation Party with respect to the Remediation Work (collectively, 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, and a separate sworn General Contractor's statement identifying all subcontracts entered into and costs incurred by the General Contractor with respect to the Remediation Work (collectively, 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, release of liens and/or other documents and information satisfactory to Escrow Agent, if necessary, from subcontractors and material suppliers listed thereon (with a 30-day lag on the subcontractors', mechanics' and materialmen's lien waivers, except as set forth below in subsection 1.i.);

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 Premises (as defined in the City Loan Agreement) for those amounts and the work or materials which they represent (with a 30-day lag on the subcontractors', mechanics' and materialmen's lien waivers, except as set forth below in subsection 1.i.) (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, and/or the proceeds of any Loan, to cover the amount of the disbursement;

f. A written approval by the Borrower and, to the extent approved, 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. Approval of each Funder is required for every disbursement regardless of whether all Funders are contributing funds to such disbursement. All Funders 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;
- h. An Architect's Certificate of Payment (Form G702) from FitzGerald Associates Architects PC and, if any Funder makes a written request, all inspection reports made by Borrower's supervisory architect since the preceding disbursement; and
- i. From and after such time as payments as disclosed in the Contractor's Statement reach 90% of the total contract amount, supporting waivers from the subcontractors and/or materialmen shall be provided on a current basis.

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 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 Policies, in such form and with such endorsements as shall be satisfactory to each such Funder, covering the recording of each Funder's Mortgage and showing each Funder as the insured under its respective Policy; and

2. The documents to be recorded and the procedures to be followed with respect to the closing shall be set forth either (i) in separate closing instruction letters or (ii) in a closing instruction letter to be jointly executed by the Borrower, the Funders and the Escrow Agent (the "Instruction Letter"). The Escrow Agent shall be authorized to make the first disbursement when all conditions to such disbursement under the Instruction Letter have been met. In the event either all deposits required under the Instruction Letter have not been received by the Escrow Agent on or prior to the date and time required under the Instruction Letter, or all conditions precedent to disbursement of the deposits have not been met on or prior to the date and time required under the Instruction Letter, the Escrow Agent shall continue to hold the deposits it has received, including but not limited to any portion of the first disbursement, pending receipt of written instructions from the party originating each deposit regarding the handling of such party's deposits.

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 each Funder and the Escrow Agent, from the Senior Lender's consulting architect, if any, and the City's Department of Community Development 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. Funding In Balance. No Funder shall have any obligation to fund any line item of any pending request for disbursement from Borrower if the funding of such line item would, when aggregated with such Funder's prior disbursements for such line item, result in an aggregate amount in excess of the amount allocated to such line item in the Project budget by the Funder. No Funder shall have any obligation to fund its share of any pending request for disbursement from Borrower if (i) any other Funder refuses or is unable to fund its share, if any, of any such pending request, or (ii) the Borrower is unable, for any reason, to fund any portion of any request required to be funded from Cash Equity; provided, however, that if the Borrower deposits funds in an amount equal to the shortfall in any pending request for disbursement caused by a failure or refusal to fund as described in this section, then, the remaining Funders shall continue to be obligated to fund their respective shares, if any, of such request for disbursement subject to and in accordance with the applicable Agreement of such Funder.

E. 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. Withholding of Disbursements. Notwithstanding anything in this Escrow Agreement to the contrary, except as provided in this Section V, Escrow Agent will not make any disbursements hereunder in the event:

A. Intervening liens are discovered during the processing of one or more draw requests. In such event, Escrow Agent will give Borrower and each Funder immediate written notice and will then withhold disbursement until Escrow Agent notifies each Funder that such intervening liens have been satisfied or sufficient funds have been deposited with Escrow Agent or a title indemnity agreement provided by the General Contractor secured by a separate surety bond provided by the General Contractor, or other security acceptable to the Funders in favor of the Title Company has been procured by the General Contractor, and the Title Company has issued its endorsement over any such liens in favor of all Funders having Policies; or

B. Escrow Agent has not received all sworn statements, mechanic's and materialmen's lien waivers, affidavits and other documents and information required to be furnished pursuant to Section IV of this Escrow Agreement. In any such event, Escrow Agent will notify Borrower and Funders in writing and will withhold disbursement until such required deliveries have been received, or sufficient funds have been deposited with Escrow Agent or a surety bond in favor of the Title Company has been procured or other security acceptable to the Funders has been provided and the Title Company has issued its endorsement over any such liens in favor of all Funders having Policies; notwithstanding the foregoing, Escrow Agent may, with the written consent of all Funders, process a draw request for which complete lien waivers have not been provided if Escrow Agent holds back an amount equal to 150% of the amount of work or materials for which a lien waiver has not been provided; or

C. Escrow Agent discovers a material misstatement in any sworn statement, mechanic's and materialmen's lien waiver, affidavit or other document or information furnished pursuant to this Escrow Agreement. In any such event, Escrow Agent will notify Borrower and each Funder in writing immediately and make no further disbursements until such misstatement

is corrected to the satisfaction of Escrow Agent and each Funder, or sufficient funds have been deposited with Escrow Agent or a surety bond in favor of the Title Company has been procured; or

D. Escrow Agent discovers any information which, in the opinion of Escrow Agent, may adversely affect the priority of the lien of any of the Mortgages. In any such event, Escrow Agent will forthwith notify Borrower and each Funder in writing of such information and withhold disbursement until such matter is resolved to the satisfaction of Escrow Agent and each affected Funder; or

E. Any Funder (or the CHA Lender, in the case of the Remediation Subaccount) has notified Escrow Agent in writing either electronically or by facsimile (with a copy to the other Funders) not to disburse funds from the Escrow Account. In any such event, Escrow Agent will make no further disbursements until directed to do so by the Funder(s) giving notice (or the CHA Lender, in the case of the Remediation Subaccount).

VI. 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 other notice from the Borrower, it shall promptly give notice of such discovery to 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, except as directed pursuant to the joint direction of all Funders;

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. Subject to paragraph G of this Section VI, all income, if any, derived from any use which the Escrow Agent may make of any deposits hereunder shall belong to the respective depositors;

F. Subject to paragraph G of this Section VI, upon receipt of written notice to the Escrow Agent from any Funder, 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. Notwithstanding paragraphs E and F of this Section VI, after payment by the Escrow Agent of the final disbursement hereunder, the Escrow Agent shall disburse any Cash Equity

then remaining in the Escrow Account (except funds in the Remediation Subaccount) to the City in payment of the City Loan;

H. Upon completion of the Remediation Work, any funds remaining in the Remediation Subaccount shall be paid to the CHA Lender;

I. 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

J. It is understood by the parties hereto that the requirements listed in this Section VI are solely for the Escrow Agent's benefit to assist the Escrow Agent in fulfilling its obligations hereunder.

VII. Investment of Escrowed Proceeds and Remediation Funds.

A. Investment of Funds. Any funds remaining on deposit in the Escrow Account from time to time will be held and invested by Escrow Agent in such Permissible Investments (as defined below) as Borrower will direct in writing from time to time. Upon receipt of any such investment direction from Borrower, Escrow Agent will forward a copy thereof to Funders, and Escrow Agent will not make such investment until Escrow Agent has received written confirmation from the Funders that such investment is a Permissible Investment (or in the case of the investment of Remediation Funds, written confirmation from the CHA Lender).

B. Application of Investment Earnings. Except as provided in Section VII(D) below with respect to funds for which Escrow Agent has received no written investment directions, all investment earnings on funds remaining on deposit in the Escrow Account shall be used in the same manner as provided herein for the funds originally deposited in the Escrow Account.

C. Redemption of Investments. Escrow Agent may redeem any such investment when and to the extent that funds are needed for disbursement under this Escrow Agreement.

D. No Duty to Invest. Except as to deposits of funds for which Escrow Agent has received express written direction concerning investment or other handling, the parties hereto agree that Escrow Agent will be under no duty to invest or reinvest any deposits at any time held by it hereunder; and further that Escrow Agent may commingle such deposits (i.e., deposits without investment direction) with other deposits or with its own funds in the manner provided for the administration of funds under 205 ILCS 620/2-8 and may use any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any; provided, however, that nothing herein shall diminish Escrow Agent's obligations to apply the full amount of the deposits in accordance with the terms of this Escrow Agreement.

E. No Liability for Investment Risk. Escrow Agent will have no liability for any loss of principal or interest which may be incurred as a result of the making of such investments or the redemption thereof, except for losses incurred as the direct or indirect result of Escrow Agent's (including its agents, officers and employees) negligence or willful misconduct.

F. Permissible Investments. The term "Permissible Investments" shall mean any one or more of the following: (1) direct obligations of the United States Government; (2) interest-bearing accounts at financial institutions, but only to the extent that the amount on deposit in any such account is fully insured by the Federal Deposit Insurance Corporation; and (3) such other investments approved in writing by Borrower and Funders.

VIII. Special Provisions. Special provisions, if any, 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.

IX. 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, email 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 any Funder 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 such Funder 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, the Remediation Party 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. The Funders and the Borrower agree that any savings in the costs of completing the Project, after repayment of any deferred developer fee owed to the developer, shall be applied pro rata to reduce the amounts of the City Loan and the CHA Loan (HOPE VI only), and not to reduce the amounts of the Cash Equity or the other Funders' Loans as described on Exhibit B hereto. At or prior to the completion of the Project, the Borrower shall fully disburse the Cash Equity and the Funders other than the City and the CHA Lender shall fully disburse their Loans into the Escrow Account, except for proceeds of the Senior Loan not necessary for the construction of the Project. Such disbursements shall be applied to pay or reimburse costs of the Project or, in the event that such disbursements exceed the remaining unpaid or unreimbursed Project costs, such funds shall be paid pro rata to the City and the CHA Lender to reduce the amounts of the City Loan and the CHA Loan (HOPE VI only).

I. This Escrow Agreement will in no way be construed to vary or affect the rights or obligations of Borrower or any of the Funders under their respective Agreements, or of Borrower and the General Contractor under the Construction Contract or of Escrow Agent under any Policy (e.g., a Lender will not be obligated to fund its Loan Proceeds into the Escrow Account if, under the terms of its Agreement, it is not required to make an advance of such funds).

J. Term of Agreement. This Agreement shall terminate upon the issuance of the final title policy endorsements, to each Funder's satisfaction, described in Section IV(C)(2) and the disbursement in accordance herewith of all funds delivered to Escrow Agent.

[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
Name: Christine Raguso
Its: Acting Commissioner, Department of
Community Development

By: Edward B. Ellis
Its: Deputy Commissioner
Financial Control

JPMORGAN CHASE BANK, N.A.

a national banking association, as
Senior Lender

By: _____
Its: _____

CHICAGO HOUSING AUTHORITY,

a public body corporate and politic
organized under the laws of the State
of Illinois, as CHA Lender

By: _____
Its: _____

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: _____
Name: Christine Raguso
Its: Acting Commissioner, Department of
Community Development

By: _____
Its: Deputy Commissioner
Financial Control

JPMORGAN CHASE BANK, N.A.
a national banking association, as
Senior Lender

By: John D. Blum
Its: Vice President

CHICAGO HOUSING AUTHORITY,
a public body corporate and politic
organized under the laws of the State
of Illinois, as CHA Lender

By: _____
Its: _____

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

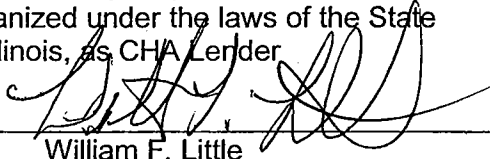
By: _____
Name: Christine Raguso
Its: Acting Commissioner, Department of
Community Development

By: _____
Its: Deputy Commissioner
Financial Control

JPMORGAN CHASE BANK, N.A.
a national banking association, as
Senior Lender

By: _____
Its: _____

CHICAGO HOUSING AUTHORITY,
a public body corporate and politic
organized under the laws of the State
of Illinois, as CHA Lender

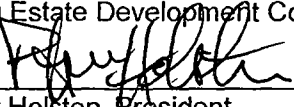
By: 
William F. Little
Its: Executive Vice President of Development

PARKSIDE NINE PHASE II, LP, an Illinois limited partnership

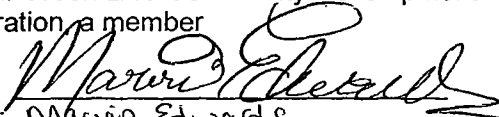
By: PARKSIDE NINE II, LLC, an Illinois limited liability company, its general partner

By: Parkside Associates, LLC, an Illinois limited liability company, its sole member

By: Holsten Real Estate Development Corporation, an Illinois corporation, a member

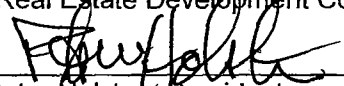
By: 
Peter Holsten, President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member

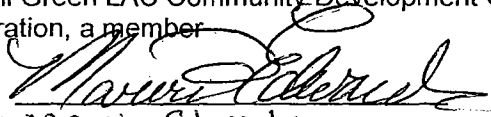
By: 
Name: Marvin Edwards
Title: President

PARKSIDE ASSOCIATES, LLC, an Illinois limited liability company,

By: Holsten Real Estate Development Corporation, an Illinois corporation, a member

By: 
Peter Holsten, President

By: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation, a member

By: 
Name: Marvin Edwards
Title: President

Acknowledged and agreed to:

LINN-MATHES, INC., an Illinois corporation,
as Contractor

By: _____
Its: Senior VP

Acknowledged and agreed to:

Greater Illinois Title Company, an Illinois corporation,
as Escrow Agent

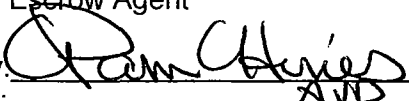
By: 
Its: AVP

EXHIBIT A

A. PARTIES:

1. Parkside Nine Phase II, LP, an Illinois limited partnership, referred to herein as the "Borrower", having an address at c/o Holsten Real Estate Development Corporation, 1333 North Kingsbury, Suite 305, Chicago, IL 60642; Attention: Peter Holsten.
2. JPMorgan Chase Bank, N.A., a national banking association referred to herein as the "Senior Lender", having an address at Chase Tower, 10 South Dearborn Street, Mail Code IL1-0953, Chicago, Illinois 60603; Attn: John D. Bernhard.
3. City of Chicago, Illinois having an address at its Department of Community Development, City of Chicago, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: Commissioner.
4. Chicago Housing Authority, a public body corporate and politic organized under the laws of the State of Illinois, referred to herein as the "CHA Lender", having an address at 60 East Van Buren Street, Chicago, Illinois 60605; Attention: Executive Director.
5. Parkside Associates, LLC, an Illinois limited liability company, referred to herein as the "Remediation Party," having an address at c/o Holsten Real Estate Development Corporation, 1333 North Kingsbury, Suite 305, Chicago, IL 60642; Attention: Peter Holsten.
6. Greater Illinois Title Company, an Illinois corporation, referred to herein as the "Escrow Agent", having an address at 120 N. LaSalle, Suite 900, Chicago, IL 60602; Attention:
_____.

B. Title Company: Greater Illinois Title Company, an Illinois corporation, as agent for Chicago Title Insurance Company, an Illinois corporation

EXHIBIT B

FUNDING OF THE PROJECT

I. Total amounts of the respective Equity, Loans or Grants:

Equity (Total)*	\$	17,883,312
Syndication Proceeds (L.P.) -	\$	17,883,112
General Partner -	\$	100
Administrative Limited Partner -	\$	100
 City Loan (HOME):	 \$	 3,710,019
 Senior Loan:	 \$	 13,500,000
 CHA Loan (Hope VI):	 \$	 7,776,000
 CHA Loan (DTC)	 \$	 2,040,000
 CHA Loan (TIF Bridge)	 \$	 8,216,100
 GP Contribution (DTC)	 \$	 10,000
 TOTAL PROJECT COSTS	 \$	 53,135,431

*A portion of the syndication proceeds will be used to pay down the Senior Loan.

**Additionally, up to \$1,578,394 of Remediation Funds shall be funded through the Remediation Subaccount.

II. Intentionally omitted.

III. Disbursements outside this Escrow Account:

- a. Equity disbursed by the Borrower prior to the Closing Date (as defined in the City Loan Agreement), outside this Escrow Account and approved by the Funders as Equity contributions:

<u>Line Item</u>	<u>Amount</u>
_____	\$ _____
TOTAL:	\$ 0

EXHIBIT B, continued

b. Amounts disbursed on the Closing Date, but not disbursed into this Escrow Account:

<u>Line Item</u>	<u>Source</u>	<u>Amount</u>
_____	_____	\$ _____
TOTAL:		\$ 0

c. Equity to be disbursed by the Borrower after the Closing Date, outside this Escrow Account and approved by the Funders as Equity contributions:

<u>Line Item</u>	<u>Amount</u>
Developer Fee	\$ 1,858,115
Operating Reserve	\$ 1,000,000
ACC Reserve	\$ 0
Tax & Insurance Escrow	\$ 0
TIF Financing	\$ 296,483
TOTAL:	\$ 3,154,598

d. Amounts disbursed after the Closing Date, outside this Escrow Account, as part of Loans:

Senior Loan interest reserve	\$900,000
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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:	\$14,728,613
City Loan (HOME):	\$3,710,019
Senior Loan:	\$12,600,000
CHA Loan (Hope VI):	\$7,776,000
CHA Loan (DTC)	\$2,040,000
CHA Loan (TIF Bridge)	\$8,216,100
GP contribution (DTC)	\$10,000
GP contribution (LIHTC)	\$100
Grant:	\$ _____ 0 _____
TOTAL:	\$ 49,080,832

II. Amounts disbursed into the Escrow Account on the Closing Date, if any:

Cash Equity (Alliant Tax Credit Fund 53, Ltd + Alliant Tax Credit 53, LLC):	\$2,145,985.00
City Loan (HOME):	\$0.00
Senior Loan:	\$ 516,961.46
CHA Loan (HOPE VI):	\$0.00
CHA Loan (DTC):	\$2,040,000.00
CHA Loan (TIF Bridge)	\$0.00
GP contribution (DTC)	\$10,000.00
GP contribution (LIHTC)	\$100.00
TOTAL:	\$4,713,046.46

* A portion of the total Equity funded over the term of the escrow will be used to repay the bridge loan.

** \$830,000 of the total Equity funded at closing will be used to fund ineligible costs during construction.

EXHIBIT D

ELIGIBLE AND INELIGIBLE COSTS

See attached draw schedule (entitled Monthly Sources & Uses). All line item costs shown to be funded by City HOME Loan are eligible. All other costs are eligible to be funded by City HOME Loan with the exception of the following ineligible costs:

1. Any reserves or escrow accounts
2. LIHTC Allocation and Reservation Fees

EXHIBIT E

SPECIAL PROVISIONS

None.

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

and to: 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:

Applegate & Thorne-Thomsen
322 S. Green Street, Suite 400
Chicago, Illinois 60607
Attention: Thomas Thorne-Thomsen, Esq.

And to: Neal, Gerber & Eisenberg LLP
Two N. LaSalle Street, Suite 2200
Chicago, IL 60602
Attention: Robert G. Gerber

And to: Mandel Legal Aid Clinic
University of Chicago Law School
6020 S. University Avenue
Chicago, IL 60637
Attention: Jeff Leslie

And to: Alliant Asset Management Company, LLC
21600 Oxnard St., Suite 1200
Woodland Hills, CA 91367
Attention: Shawn Horwitz

IF TO THE SENIOR LENDER: As set forth on Exhibit A hereto, with copies to:

Dykema Gossett PLLC
10 S. Wacker Drive, Suite 2300
Chicago, Illinois 60606
Attention: Derek L. Cottier, Esq.

IF TO THE CHA LENDER: As set forth on Exhibit A hereto, with copies to:

Chicago Housing Authority

60 East Van Buren
Chicago, Illinois 60605
Attention: Chief Executive Officer

and to: Chicago Housing Authority
Office of the General Counsel
60 East Van Buren
Chicago, Illinois 60605
Attention: General Counsel

and to: Albert, Whitehead, P.C.
10 N. Dearborn, Suite 600
Chicago, Illinois 60602
Attention: Gregory Whitehead, Esq.

IF TO THE ESCROW AGENT: As set forth on Exhibit A hereto.

EXHIBIT M
PRIOR TIF OBLIGATIONS

The Note will have a subordinate lien on area-wide Incremental Taxes and be subordinate to the City's bond obligations under the Senior Lien Tax Increment Allocation Bonds (Near North Redevelopment Project) Series 1999A and 1999B (the "Near North TIF Bonds"), which Near North TIF Bonds were authorized pursuant to an ordinance adopted by the City Council on January 20, 1999.